

1-1 By: McClendon, et al. (Senate Sponsor - Carona) H.B. No. 3097
1-2 (In the Senate - Received from the House May 7, 2009;
1-3 May 8, 2009, read first time and referred to Committee on
1-4 Transportation and Homeland Security; May 15, 2009, reported
1-5 adversely, with favorable Committee Substitute by the following
1-6 vote: Yeas 8, Nays 0; May 15, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 3097 By: Carona

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the creation, organization, governance, duties, and
1-11 functions of the Texas Department of Motor Vehicles, including the
1-12 transfer of certain duties to the Texas Department of Motor
1-13 Vehicles and the Texas Department of Licensing and Regulation;
1-14 providing a penalty.

1-15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-16 ARTICLE 1. TEXAS DEPARTMENT OF MOTOR VEHICLES

1-17 SECTION 1.01. Title 7, Transportation Code, is amended by
1-18 adding Subtitle M to read as follows:

1-19 SUBTITLE M. DEPARTMENT OF MOTOR VEHICLES

1-20 CHAPTER 1001. ORGANIZATION OF DEPARTMENT

1-21 SUBCHAPTER A. GENERAL PROVISIONS

1-22 Sec. 1001.001. DEFINITIONS. In this subtitle:

1-23 (1) "Board" means the board of the department.

1-24 (2) "Department" means the Texas Department of Motor
1-25 Vehicles.

1-26 Sec. 1001.002. CREATION OF DEPARTMENT; DUTIES. (a) The
1-27 department is created as an agency of this state.

1-28 (b) In addition to the other duties required of the Texas
1-29 Department of Motor Vehicles, the department shall administer and
1-30 enforce:

1-31 (1) Subtitle A;

1-32 (2) Chapters 623, 642, 643, 645, 646, and 648; and

1-33 (3) Chapters 2301 and 2302, Occupations Code.

1-34 Sec. 1001.003. COMPOSITION OF DEPARTMENT. The department
1-35 is composed of an executive director appointed by the board and
1-36 other employees required to efficiently implement:

1-37 (1) this subtitle;

1-38 (2) other applicable vehicle laws of this state; and

1-39 (3) other laws that grant jurisdiction to or are
1-40 applicable to the department.

1-41 Sec. 1001.004. DIVISIONS. The board shall organize the
1-42 department into divisions to accomplish the department's functions
1-43 and the duties assigned to it, including divisions for:

1-44 (1) administration;

1-45 (2) motor carriers;

1-46 (3) motor vehicle board; and

1-47 (4) vehicle titles and registration.

1-48 Sec. 1001.005. SUNSET PROVISION. The department is subject
1-49 to Chapter 325, Government Code (Texas Sunset Act). Unless
1-50 continued in existence as provided by that chapter, the department
1-51 is abolished September 1, 2021.

1-52 Sec. 1001.006. DEFENSE BY ATTORNEY GENERAL. The attorney
1-53 general shall defend an action brought against the board or the
1-54 department or an action brought against an employee of the
1-55 department as a result of the employee's official act or omission,
1-56 regardless of whether at the time of the institution of the action
1-57 that person has terminated service with the department.

1-58 [Sections 1001.007-1001.020 reserved for expansion]

1-59 SUBCHAPTER B. BOARD OF DEPARTMENT OF MOTOR VEHICLES

1-60 Sec. 1001.021. BOARD. (a) The board consists of nine
1-61 members appointed by the governor with the advice and consent of the
1-62 senate.

1-63 (b) Three members must be persons who hold a dealer's

2-1 license issued under Chapter 2301, Occupations Code, of whom two
 2-2 must be franchised dealers of different classes and one must be an
 2-3 independent dealer; one member must be a representative of a
 2-4 manufacturer or distributor that holds a license issued under
 2-5 Chapter 2301, Occupations Code; one member must be a tax
 2-6 assessor-collector; one member must be a representative of a law
 2-7 enforcement agency of a county or municipality; and one member must
 2-8 be a representative of the motor carrier industry. The remaining
 2-9 members must be public members.

2-10 (c) Except as necessary to comply with Subsection (b), a
 2-11 person is not eligible for appointment as a member of the board if
 2-12 the person or the person's spouse:

2-13 (1) is employed by or participates in the management
 2-14 of a business entity or other organization that is regulated by or
 2-15 receives funds from the department;

2-16 (2) directly or indirectly owns or controls more than
 2-17 10 percent interest in a business entity or other organization that
 2-18 is regulated by or receives funds from the department;

2-19 (3) uses or receives a substantial amount of tangible
 2-20 goods, services, or funds from the department, other than
 2-21 compensation or reimbursement authorized by law for board
 2-22 membership, attendance, or expenses; or

2-23 (4) is registered, certified, or licensed by the
 2-24 department.

2-25 (d) A person required to register as a lobbyist under
 2-26 Chapter 305, Government Code, because of the person's activities
 2-27 for compensation on behalf of a profession related to the operation
 2-28 of the department may not serve as a member of the board.

2-29 (e) Appointments to the board shall be made without regard
 2-30 to race, color, disability, sex, religion, age, or national origin
 2-31 of the appointees and shall reflect the diversity of the population
 2-32 of the state as a whole.

2-33 Sec. 1001.022. TERMS. Members of the board serve staggered
 2-34 six-year terms, with the terms of either one or two members expiring
 2-35 February 1 of each odd-numbered year.

2-36 Sec. 1001.023. CHAIR AND VICE CHAIR; DUTIES. (a) The
 2-37 governor shall appoint one of the board's members chair of the
 2-38 board. The board shall elect one of its members vice chair of the
 2-39 board. A chair or vice chair serves at the pleasure of the board.

2-40 (b) The chair shall:

2-41 (1) preside over board meetings, make rulings on
 2-42 motions and points of order, and determine the order of business;

2-43 (2) represent the department in dealing with the
 2-44 governor;

2-45 (3) report to the governor on the state of affairs of
 2-46 the department at least quarterly;

2-47 (4) report to the board the governor's suggestions for
 2-48 department operations;

2-49 (5) report to the governor on efforts, including
 2-50 legislative requirements, to maximize the efficiency of department
 2-51 operations through the use of private enterprise;

2-52 (6) periodically review the department's
 2-53 organizational structure and submit recommendations for structural
 2-54 changes to the governor, the board, and the Legislative Budget
 2-55 Board;

2-56 (7) designate one or more employees of the department
 2-57 as a civil rights division of the department and receive regular
 2-58 reports from the division on the department's efforts to comply
 2-59 with civil rights legislation and administrative rules;

2-60 (8) create subcommittees, appoint board members to
 2-61 subcommittees, and receive the reports of subcommittees to the
 2-62 board as a whole;

2-63 (9) appoint a member of the board to act in the chair's
 2-64 absence; and

2-65 (10) serve as the departmental liaison with the
 2-66 governor and the Office of State-Federal Relations to maximize
 2-67 federal funding for transportation.

2-68 Sec. 1001.024. BOARD MEETINGS. The board shall hold
 2-69 regular meetings at least once a month and special meetings at the

3-1 call of the chair. Board members shall attend the meetings of the
 3-2 board. The chair shall oversee the preparation of an agenda for
 3-3 each meeting and ensure that a copy is provided to each board member
 3-4 at least seven days before the meeting.

3-5 Sec. 1001.025. RECOMMENDATIONS TO LEGISLATURE. (a) The
 3-6 board shall consider ways in which the department's operations may
 3-7 be improved and may periodically report to the legislature
 3-8 concerning potential statutory changes that would improve the
 3-9 operation of the department.

3-10 (b) On behalf of the board, the chair shall report to the
 3-11 governor, the lieutenant governor, the speaker of the house of
 3-12 representatives, and the presiding officers of relevant
 3-13 legislative committees on legislative recommendations adopted by
 3-14 the board and relating to the operation of the department.

3-15 Sec. 1001.026. COMPENSATION. A member of the board is
 3-16 entitled to compensation as provided by the General Appropriations
 3-17 Act. If compensation for board members is not provided by that Act,
 3-18 each member is entitled to reimbursement for actual and necessary
 3-19 expenses incurred in performing functions as a member of the board.

3-20 Sec. 1001.027. GROUNDS FOR REMOVAL. (a) It is a ground for
 3-21 removal from the board if a board member:

3-22 (1) does not have at the time of appointment or
 3-23 maintain during service on the board the qualifications required by
 3-24 Section 1001.021;

3-25 (2) violates a prohibition provided by Section
 3-26 1001.021;

3-27 (3) cannot discharge the member's duties for a
 3-28 substantial part of the term for which the member is appointed
 3-29 because of illness or disability; or

3-30 (4) is absent from more than half of the regularly
 3-31 scheduled board meetings that the board member is eligible to
 3-32 attend during a calendar year, unless the absence is excused by
 3-33 majority vote of the board.

3-34 (b) The validity of an action of the board is not affected by
 3-35 the fact that it is taken when a ground for removal of a board member
 3-36 exists.

3-37 (c) If the executive director of the department knows that a
 3-38 potential ground for removal exists, the director shall notify the
 3-39 chair of the board of the ground, and the chair shall notify the
 3-40 governor and the attorney general that a potential ground for
 3-41 removal exists. If the potential ground for removal relates to the
 3-42 chair, the director shall notify another board member, who shall
 3-43 notify the governor and the attorney general that a potential
 3-44 ground for removal exists.

3-45 Sec. 1001.028. CONFLICT OF INTEREST. (a) A member of the
 3-46 board shall disclose in writing to the executive director if the
 3-47 member has an interest in a matter before the board or has a
 3-48 substantial financial interest in an entity that has a direct
 3-49 interest in the matter.

3-50 (b) The member shall recuse himself or herself from the
 3-51 board's deliberations and actions on the matter in Subsection (a)
 3-52 and may not participate in the board's decision on the matter.

3-53 (c) A person has a substantial financial interest in an
 3-54 entity if the person:

3-55 (1) is an employee, member, director, or officer of
 3-56 the entity; or

3-57 (2) owns or controls, directly or indirectly, more
 3-58 than a five percent interest in the entity.

3-59 Sec. 1001.029. INFORMATION ON QUALIFICATIONS AND CONDUCT.
 3-60 The department shall provide to the members of the board, as often
 3-61 as necessary, information concerning the members' qualifications
 3-62 for office and their responsibilities under applicable laws
 3-63 relating to standards of conduct for state officers.

3-64 Sec. 1001.030. TRAINING ON DEPARTMENT AND CERTAIN LAWS
 3-65 RELATING TO DEPARTMENT. (a) To be eligible to take office as a
 3-66 member of the board, a person appointed to the board must complete
 3-67 at least one course of a training program that complies with this
 3-68 section.

3-69 (b) The training program must provide information to the

4-1 person regarding:
 4-2 (1) this subchapter;
 4-3 (2) the programs operated by the department;
 4-4 (3) the role and functions of the department;
 4-5 (4) the rules of the department with an emphasis on the
 4-6 rules that relate to disciplinary and investigatory authority;
 4-7 (5) the current budget for the department;
 4-8 (6) the results of the most recent formal audit of the
 4-9 department;
 4-10 (7) the requirements of the:
 4-11 (A) open meetings law, Chapter 551, Government
 4-12 Code;
 4-13 (B) open records law, Chapter 552, Government
 4-14 Code; and
 4-15 (C) administrative procedure law, Chapter 2001,
 4-16 Government Code;
 4-17 (8) the requirements of the conflict of interest laws
 4-18 and other laws relating to public officials; and
 4-19 (9) any applicable ethics policies adopted by the
 4-20 board or the Texas Ethics Commission.
 4-21 (c) A person appointed to the board is entitled to
 4-22 reimbursement for travel expenses incurred in attending the
 4-23 training program, as provided by the General Appropriations Act and
 4-24 as if the person were a member of the board.
 4-25 Sec. 1001.031. ADVISORY COMMITTEES. (a) The board shall
 4-26 establish separate advisory committees for the motor carrier, motor
 4-27 vehicles, and vehicle titles and registration divisions to make
 4-28 recommendations to the board or the executive director on the
 4-29 operation of the applicable division. A committee has the
 4-30 purposes, powers, and duties, including the manner of reporting its
 4-31 work, prescribed by the board. A committee and each committee
 4-32 member serves at the will of the board.
 4-33 (b) The board shall appoint persons to each advisory
 4-34 committee who:
 4-35 (1) are selected from a list provided by the executive
 4-36 director; and
 4-37 (2) have knowledge about and interests in, and
 4-38 represent a broad range of viewpoints about, the work of the
 4-39 committee or applicable division.
 4-40 (c) The advisory committee for the motor vehicles division
 4-41 must include a member to represent motor vehicle manufacturers and
 4-42 a member to represent the recreational vehicle industry.
 4-43 (d) The advisory committee for the motor carrier division
 4-44 must include a member to represent the motor transportation
 4-45 industry.
 4-46 (e) A member of an advisory committee may not be compensated
 4-47 by the board or the department for committee service.
 4-48 [Sections 1001.032-1001.040 reserved for expansion]
 4-49 SUBCHAPTER C. PERSONNEL
 4-50 Sec. 1001.041. DEPARTMENT PERSONNEL. (a) Subject to the
 4-51 General Appropriations Act or other law, the executive director
 4-52 shall appoint deputies, assistants, and other personnel as
 4-53 necessary to carry out the powers and duties of the department under
 4-54 this code, other applicable vehicle laws of this state, and other
 4-55 laws granting jurisdiction or applicable to the department.
 4-56 (b) A person appointed under this section must have the
 4-57 professional and administrative experience necessary to qualify
 4-58 the person for the position to which the person is appointed.
 4-59 Sec. 1001.042. DIVISION OF RESPONSIBILITIES. The board
 4-60 shall develop and implement policies that clearly define the
 4-61 respective responsibilities of the director and the staff of the
 4-62 department.
 4-63 Sec. 1001.043. EQUAL EMPLOYMENT OPPORTUNITY POLICY;
 4-64 REPORT. (a) The executive director or the director's designee
 4-65 shall prepare and maintain a written policy statement to ensure
 4-66 implementation of a program of equal employment opportunity under
 4-67 which all personnel transactions are made without regard to race,
 4-68 color, disability, sex, religion, age, or national origin. The
 4-69 policy statement must include:

- 5-1 (1) personnel policies, including policies relating
- 5-2 to recruitment, evaluation, selection, appointment, training, and
- 5-3 promotion of personnel that are in compliance with Chapter 21,
- 5-4 Labor Code;
- 5-5 (2) a comprehensive analysis of the department
- 5-6 workforce that meets federal and state guidelines;
- 5-7 (3) procedures by which a determination can be made of
- 5-8 significant underuse in the department workforce of all persons for
- 5-9 whom federal or state guidelines encourage a more equitable
- 5-10 balance; and
- 5-11 (4) reasonable methods to appropriately address those
- 5-12 areas of significant underuse.

- 5-13 (b) A policy statement prepared under this section must:
- 5-14 (1) cover an annual period;
- 5-15 (2) be updated annually;
- 5-16 (3) be reviewed by the civil rights division of the
- 5-17 Texas Workforce Commission for compliance with Subsection (a); and
- 5-18 (4) be filed with the governor.

5-19 (c) The governor shall deliver a biennial report to the
 5-20 legislature based on the information received under Subsection (b).
 5-21 The report may be made separately or as a part of other biennial
 5-22 reports made to the legislature.

5-23 Sec. 1001.044. QUALIFICATIONS AND STANDARDS OF CONDUCT.
 5-24 The executive director shall provide to department employees, as
 5-25 often as necessary, information regarding their:

- 5-26 (1) qualification for office or employment under this
- 5-27 subtitle; and
- 5-28 (2) responsibilities under applicable laws relating
- 5-29 to standards of conduct for state employees.

5-30 Sec. 1001.045. CAREER LADDER PROGRAM; PERFORMANCE
 5-31 EVALUATIONS. (a) The executive director or the director's
 5-32 designee shall develop an intra-agency career ladder program. The
 5-33 program must require intra-agency posting of all nonentry level
 5-34 positions concurrently with any public posting.

5-35 (b) The executive director or the director's designee shall
 5-36 develop a system of annual performance evaluations. All merit pay
 5-37 for department employees must be based on the system established
 5-38 under this subsection.

5-39 CHAPTER 1002. RULES

5-40 Sec. 1002.001. GENERAL RULEMAKING AUTHORITY. The board may
 5-41 adopt any rules necessary and appropriate to implement the powers
 5-42 and duties of the department under this code and other laws of this
 5-43 state.

5-44 Sec. 1002.002. RULES RESTRICTING ADVERTISING OR
 5-45 COMPETITIVE BIDDING. The board may not adopt rules restricting
 5-46 advertising or competitive bidding by a person regulated by the
 5-47 department except to prohibit false, misleading, or deceptive
 5-48 practices by the person.

5-49 CHAPTER 1003. DEPARTMENT PROCEDURES

5-50 Sec. 1003.001. APPLICABILITY OF CERTAIN LAWS. Except as
 5-51 specifically provided by law, the department is subject to Chapters
 5-52 2001 and 2002, Government Code.

5-53 Sec. 1003.002. SUMMARY PROCEDURES FOR ROUTINE MATTERS.

- 5-54 (a) The board or the department by rule may:
- 5-55 (1) create a summary procedure for routine matters;
- 5-56 and
- 5-57 (2) designate department activities that otherwise
- 5-58 would be subject to Chapter 2001, Government Code, as routine
- 5-59 matters to be handled under the summary procedure.

5-60 (b) An activity may be designated as a routine matter only
 5-61 if the activity is:

- 5-62 (1) voluminous;
- 5-63 (2) repetitive;
- 5-64 (3) believed to be noncontroversial; and
- 5-65 (4) of limited interest to anyone other than persons
- 5-66 immediately involved in or affected by the proposed department
- 5-67 action.

5-68 (c) The rules may establish procedures different from those
 5-69 contained in Chapter 2001, Government Code. The procedures must

6-1 require, for each party directly involved, notice of a proposed
6-2 negative action not later than the fifth day before the date the
6-3 action is proposed to be taken.

6-4 (d) A rule adopted by the board under this section may
6-5 provide for the delegation of authority to take action on a routine
6-6 matter to a salaried employee of the department designated by the
6-7 board.

6-8 Sec. 1003.003. REVIEW OF ACTION ON ROUTINE MATTER. (a) A
6-9 person directly or indirectly affected by an action of the board or
6-10 the department on a routine matter taken under the summary
6-11 procedure adopted under Section 1003.002 is entitled to a review of
6-12 the action under Chapter 2001, Government Code.

6-13 (b) The person must apply to the board not later than the
6-14 60th day after the date of the action to be entitled to the review.

6-15 (c) The timely filing of the application for review
6-16 immediately stays the action pending a hearing on the merits.

6-17 (d) The board may adopt rules relating to an application for
6-18 review under this section and consideration of the application.

6-19 Sec. 1003.004. INFORMAL DISPOSITION OF CERTAIN CONTESTED
6-20 CASES. The board or the department, as applicable, may, on written
6-21 agreement or stipulation of each party and any intervenor,
6-22 informally dispose of a contested case in accordance with Section
6-23 2001.056, Government Code, notwithstanding any provision of this
6-24 code or other law that requires a hearing before the board or the
6-25 department, as applicable.

6-26 CHAPTER 1004. PUBLIC ACCESS

6-27 Sec. 1004.001. ACCESS TO PROGRAMS AND FACILITIES. (a) The
6-28 department shall prepare and maintain a written plan that describes
6-29 how a person who does not speak English may be provided reasonable
6-30 access to the department's programs.

6-31 (b) The department shall comply with federal and state laws
6-32 for program and facility accessibility.

6-33 Sec. 1004.002. PUBLIC COMMENT. The board and the
6-34 department shall develop and implement policies that provide the
6-35 public with a reasonable opportunity to appear before the board or
6-36 the department and to speak on any issue under the jurisdiction of
6-37 the board or the department.

6-38 Sec. 1004.003. PUBLIC REPRESENTATION ON ADVISORY BODY.
6-39 (a) At least one-half of the membership of each advisory body
6-40 appointed by the board, other than an advisory body whose
6-41 membership is determined by this code or by other law, must
6-42 represent the general public.

6-43 (b) A public representative may not be:
6-44 (1) an officer, director, or employee of a business
6-45 entity regulated by the department;
6-46 (2) a person required to register with the Texas
6-47 Ethics Commission under Chapter 305, Government Code; or
6-48 (3) a person related within the second degree by
6-49 affinity or consanguinity to a person described by Subdivision (1)
6-50 or (2).

6-51 CHAPTER 1005. STANDARDS OF CONDUCT

6-52 Sec. 1005.001. APPLICATION OF LAW RELATING TO ETHICAL
6-53 CONDUCT. The board, the executive director, and each employee or
6-54 agent of the department is subject to the code of ethics and the
6-55 standard of conduct imposed by Chapter 572, Government Code, and
6-56 any other law regulating the ethical conduct of state officers and
6-57 employees.

6-58 ARTICLE 2. TRANSFER OF DUTIES AND FUNCTIONS OF THE TEXAS DEPARTMENT
6-59 OF TRANSPORTATION

6-60 PART A. GENERAL PROVISIONS AND ADMINISTRATION

6-61 SECTION 2A.01. Subsection (a), Section 201.202,
6-62 Transportation Code, is amended to read as follows:

6-63 (a) The commission shall organize the department into
6-64 divisions to accomplish the department's functions and the duties
6-65 assigned to it, including divisions for:

- 6-66 (1) aviation;
- 6-67 (2) highways and roads; and
- 6-68 (3) public transportation[~~and~~
- 6-69 [~~(4) motor vehicle titles and registration~~].

7-1 SECTION 2A.02. Subdivision (2), Section 201.931,
7-2 Transportation Code, is amended to read as follows:

7-3 (2) "License" includes:

7-4 (A) a permit issued by the department that
7-5 authorizes the operation of a vehicle and its load or a combination
7-6 of vehicles and load exceeding size or weight limitations;

7-7 (B) a motor carrier registration issued under
7-8 Chapter 643;

7-9 (C) a vehicle storage facility license issued
7-10 under Chapter 2303, Occupations Code; and

7-11 (D) a license or permit for outdoor advertising
7-12 issued under Chapter 391 or 394[+

7-13 ~~[(E) a salvage vehicle dealer or agent license
7-14 issued under Chapter 2302, Occupations Code;~~

7-15 ~~[(F) specially designated or specialized license
7-16 plates issued under Subchapters E and F, Chapter 502; and~~

7-17 ~~[(C) an apportioned registration issued
7-18 according to the International Registration Plan under Section
7-19 502.054].~~

7-20 SECTION 2A.03. Subsection (c), Section 201.202,
7-21 Transportation Code, is repealed.

7-22 PART B. STATE HIGHWAY TOLL PROJECTS

7-23 SECTION 2B.01. Subsections (b) and (h), Section 228.055,
7-24 Transportation Code, are amended to read as follows:

7-25 (b) The department may impose and collect the
7-26 administrative fee, so as to recover the cost of collecting the
7-27 unpaid toll, not to exceed \$100. The department shall send a
7-28 written notice of nonpayment to the registered owner of the vehicle
7-29 at that owner's address as shown in the vehicle registration
7-30 records of the Texas Department of Motor Vehicles [~~department~~] by
7-31 first class mail and may require payment not sooner than the 30th
7-32 day after the date the notice was mailed. The registered owner
7-33 shall pay a separate toll and administrative fee for each event of
7-34 nonpayment under Section 228.054.

7-35 (h) In this section, "registered owner" means the owner of a
7-36 vehicle as shown on the vehicle registration records of the Texas
7-37 Department of Motor Vehicles [~~department~~] or the analogous
7-38 department or agency of another state or country.

7-39 SECTION 2B.02. Subsection (b), Section 228.056,
7-40 Transportation Code, is amended to read as follows:

7-41 (b) In the prosecution of an offense under Section
7-42 228.055(c), (d), or (e):

7-43 (1) it is presumed that the notice of nonpayment was
7-44 received on the fifth day after the date of mailing;

7-45 (2) a computer record of the Texas Department of Motor
7-46 Vehicles [~~department~~] of the registered owner of the vehicle is
7-47 prima facie evidence of its contents and that the defendant was the
7-48 registered owner of the vehicle when the underlying event of
7-49 nonpayment under Section 228.054 occurred; and

7-50 (3) a copy of the rental, lease, or other contract
7-51 document covering the vehicle on the date of the underlying event of
7-52 nonpayment under Section 228.054 is prima facie evidence of its
7-53 contents and that the defendant was the lessee of the vehicle when
7-54 the underlying event of nonpayment under Section 228.054 occurred.

7-55 PART C. CAUSEWAYS, BRIDGES, TUNNELS, TURNPIKES, FERRIES, AND
7-56 HIGHWAYS IN CERTAIN COUNTIES

7-57 SECTION 2C.01. Subsections (b), (e), and (h), Section
7-58 284.0701, Transportation Code, are amended to read as follows:

7-59 (b) The county may impose and collect the administrative
7-60 cost so as to recover the expense of collecting the unpaid toll, not
7-61 to exceed \$100. The county shall send a written notice of
7-62 nonpayment to the registered owner of the vehicle at that owner's
7-63 address as shown in the vehicle registration records of the Texas
7-64 Department of Motor Vehicles [~~department~~] by first-class mail not
7-65 later than the 30th day after the date of the alleged failure to pay
7-66 and may require payment not sooner than the 30th day after the date
7-67 the notice was mailed. The registered owner shall pay a separate
7-68 toll and administrative cost for each event of nonpayment under
7-69 Section 284.070.

8-1 (e) It is an exception to the application of Subsection (a)
 8-2 or (c) if the registered owner of the vehicle transferred ownership
 8-3 of the vehicle to another person before the event of nonpayment
 8-4 under Section 284.070 occurred, submitted written notice of the
 8-5 transfer to the Texas Department of Motor Vehicles [~~department~~] in
 8-6 accordance with Section 520.023, and before the 30th day after the
 8-7 date the notice of nonpayment is mailed, provides to the county the
 8-8 name and address of the person to whom the vehicle was transferred.
 8-9 If the former owner of the vehicle provides the required
 8-10 information within the period prescribed, the county may send a
 8-11 notice of nonpayment to the person to whom ownership of the vehicle
 8-12 was transferred at the address provided by the former owner by
 8-13 first-class mail before the 30th day after the date of receipt of
 8-14 the required information from the former owner. The subsequent
 8-15 owner of the vehicle for which the proper toll was not paid who is
 8-16 mailed a written notice of nonpayment under this subsection and
 8-17 fails to pay the proper toll and administrative cost within the time
 8-18 specified by the notice of nonpayment commits an offense. The
 8-19 subsequent owner shall pay a separate toll and administrative cost
 8-20 for each event of nonpayment under Section 284.070. Each failure to
 8-21 pay a toll or administrative cost under this subsection is a
 8-22 separate offense.

8-23 (h) In this section, "registered owner" means the owner of a
 8-24 vehicle as shown on the vehicle registration records of the Texas
 8-25 Department of Motor Vehicles [~~department~~] or the analogous
 8-26 department or agency of another state or country.

8-27 PART D. CERTIFICATE OF TITLE ACT

8-28 SECTION 2D.01. Subdivision (3), Section 501.002,
 8-29 Transportation Code, is amended to read as follows:

8-30 (3) "Department" means the Texas Department of Motor
 8-31 Vehicles [~~Transportation~~].

8-32 PART E. REGISTRATION OF VEHICLES

8-33 SECTION 2E.01. Subdivision (3), Section 502.001,
 8-34 Transportation Code, is amended to read as follows:

8-35 (3) "Department" means the Texas Department of Motor
 8-36 Vehicles [~~Transportation~~].

8-37 SECTION 2E.02. Subsections (a) and (b), Section 502.053,
 8-38 Transportation Code, are amended to read as follows:

8-39 (a) The department [~~Texas Department of Transportation~~]
 8-40 shall reimburse the Texas Department of Criminal Justice for the
 8-41 cost of manufacturing license plates or registration insignia as
 8-42 the license plates or insignia and the invoice for the license
 8-43 plates or insignia are delivered to the department [~~Texas~~
 8-44 ~~Department of Transportation~~].

8-45 (b) When manufacturing is started, the Texas Department of
 8-46 Criminal Justice, the department [~~Texas Department of~~
 8-47 ~~Transportation~~], and the comptroller, after negotiation, shall set
 8-48 the price to be paid for each license plate or insignia. The price
 8-49 must be determined from:

- 8-50 (1) the cost of metal, paint, and other materials
- 8-51 purchased;
- 8-52 (2) the inmate maintenance cost per day;
- 8-53 (3) overhead expenses;
- 8-54 (4) miscellaneous charges; and
- 8-55 (5) a previously approved amount of profit for the
- 8-56 work.

8-57 PART F. DEALER'S AND MANUFACTURER'S VEHICLE LICENSE PLATES

8-58 SECTION 2F.01. Subdivisions (2) and (5), Section 503.001,
 8-59 Transportation Code, are amended to read as follows:

8-60 (2) "Commission" means the board of the Texas
 8-61 Department of Motor Vehicles [~~Texas Transportation Commission~~].

8-62 (5) "Department" means the Texas Department of Motor
 8-63 Vehicles [~~Transportation~~].

8-64 PART G. MISCELLANEOUS PROVISIONS

8-65 SECTION 2G.01. Section 520.001, Transportation Code, is
 8-66 amended to read as follows:

8-67 Sec. 520.001. DEFINITION. In this chapter, "department"
 8-68 means the Texas Department of Motor Vehicles [~~Transportation~~].

PART H. OPERATION OF BICYCLES, MOPEDS, AND PLAY VEHICLES

SECTION 2H.01. Section 551.302, Transportation Code, is amended to read as follows:

Sec. 551.302. REGISTRATION. The Texas Department of Motor Vehicles [~~Transportation~~] may adopt rules relating to the registration and issuance of license plates to neighborhood electric vehicles.

PART I. MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

SECTION 2I.01. Section 601.023, Transportation Code, is amended to read as follows:

Sec. 601.023. PAYMENT OF STATUTORY FEES. The department may pay:

(1) a statutory fee required by the Texas Department of Motor Vehicles [~~Transportation~~] for a certified abstract or in connection with suspension of a vehicle registration; or

(2) a statutory fee payable to the comptroller for issuance of a certificate of deposit required by Section 601.122.

SECTION 2I.02. Section 601.451, Transportation Code, as added by Chapter 892 (S.B. 1670), Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

Sec. 601.451. DEFINITION. In this subchapter, "implementing agencies" means:

(1) the department;

(2) the Texas Department of Motor Vehicles [~~Transportation~~];

(3) the Texas Department of Insurance; and

(4) the Department of Information Resources.

SECTION 2I.03. Subchapter N, Chapter 601, Transportation Code, as added by Chapter 1325 (H.B. 3588), Acts of the 78th Legislature, Regular Session, 2003, is repealed.

PART J. IDENTIFYING MARKINGS ON CERTAIN COMMERCIAL MOTOR VEHICLES

SECTION 2J.01. Subsection (d), Section 642.002, Transportation Code, is amended to read as follows:

(d) The Texas Department of Motor Vehicles [~~Transportation~~] by rule may prescribe additional requirements regarding the form of the markings required by Subsection (a)(2) that are not inconsistent with that subsection.

PART K. MOTOR CARRIER REGISTRATION

SECTION 2K.01. Subdivision (1), Section 643.001, Transportation Code, is amended to read as follows:

(1) "Department" means the Texas Department of Motor Vehicles [~~Transportation~~].

PART L. SINGLE STATE REGISTRATION

SECTION 2L.01. Section 645.001, Transportation Code, is amended to read as follows:

Sec. 645.001. FEDERAL MOTOR CARRIER REGISTRATION. The Texas Department of Motor Vehicles [~~Transportation~~] may, to the fullest extent practicable, participate in a federal motor carrier registration program under the unified carrier registration system as defined by Section 643.001 or a [~~the~~] single state registration system established under federal law [~~49 U.S.C. Section 14504~~].

PART M. MOTOR TRANSPORTATION BROKERS

SECTION 2M.01. Subsection (a), Section 646.003, Transportation Code, is amended to read as follows:

(a) A person may not act as a motor transportation broker unless the person provides a bond to the Texas Department of Motor Vehicles [~~Transportation~~].

PART N. FOREIGN COMMERCIAL MOTOR TRANSPORTATION

SECTION 2N.01. Section 648.002, Transportation Code, is amended to read as follows:

Sec. 648.002. RULES. In addition to rules required by this chapter, the Texas Department of Motor Vehicles [~~Transportation~~], the Department of Public Safety, and the Texas Department of Insurance may adopt other rules to carry out this chapter.

PART O. ABANDONED MOTOR VEHICLES

SECTION 2O.01. Subdivision (1), Section 683.001, Transportation Code, is amended to read as follows:

(1) "Department" means the Texas Department of Motor Vehicles [~~Transportation~~].

PART P. CONTRACTS FOR ENFORCEMENT OF CERTAIN ARREST WARRANTS

SECTION 2P.01. Subdivision (1), Section 702.001, Transportation Code, is amended to read as follows:

(1) "Department" means the Texas Department of Motor Vehicles [~~Transportation~~].

PART Q. PHOTOGRAPHIC TRAFFIC SIGNAL ENFORCEMENT SYSTEM

SECTION 2Q.01. Subdivision (2), Section 707.001, Transportation Code, is amended to read as follows:

(2) "Owner of a motor vehicle" means the owner of a motor vehicle as shown on the motor vehicle registration records of the Texas Department of Motor Vehicles [~~Transportation~~] or the analogous department or agency of another state or country.

SECTION 2Q.02. Subsection (b), Section 707.011, Transportation Code, is amended to read as follows:

(b) Not later than the 30th day after the date the violation is alleged to have occurred, the designated department, agency, or office of the local authority or the entity with which the local authority contracts under Section 707.003(a)(1) shall mail the notice of violation to the owner at:

(1) the owner's address as shown on the registration records of the Texas Department of Motor Vehicles [~~Transportation~~]; or

(2) if the vehicle is registered in another state or country, the owner's address as shown on the motor vehicle registration records of the department or agency of the other state or country analogous to the Texas Department of Motor Vehicles [~~Transportation~~].

SECTION 2Q.03. Section 707.017, Transportation Code, is amended to read as follows:

Sec. 707.017. ENFORCEMENT. If the owner of a motor vehicle is delinquent in the payment of a civil penalty imposed under this chapter, the county assessor-collector or the Texas Department of Motor Vehicles [~~Transportation~~] may refuse to register a motor vehicle alleged to have been involved in the violation.

PART R. SALE OR LEASE OF MOTOR VEHICLES

SECTION 2R.01. Subdivision (9), Section 2301.002, Occupations Code, is amended to read as follows:

(9) "Department" means the Texas Department of Motor Vehicles [~~Transportation~~].

SECTION 2R.02. Subdivision (33), Section 2301.002, Occupations Code, is repealed.

PART S. AUTOMOBILE BURGLARY AND THEFT PREVENTION AUTHORITY

SECTION 2S.01. Subdivision (3), Section 1, Article 4413(37), Revised Statutes, is amended to read as follows:

(3) "Department" means the Texas Department of Motor Vehicles [~~Transportation~~].

SECTION 2S.02. Section 2, Article 4413(37), Revised Statutes, is amended to read as follows:

Sec. 2. The Automobile Burglary and Theft Prevention Authority is established in the Texas Department of Motor Vehicles [~~Transportation~~]. The authority is not an advisory body to the Texas Department of Motor Vehicles [~~Transportation~~].

ARTICLE 3. CONFORMING AMENDMENTS PERTAINING TO TEXAS DEPARTMENT OF TRANSPORTATION IN OTHER CODES

PART A. BUSINESS & COMMERCE CODE

SECTION 3A.01. Subsection (b), Section 51.003, Business & Commerce Code, as effective April 1, 2009, is amended to read as follows:

(b) In this chapter, "business opportunity" does not include:

(1) the sale or lease of an established and ongoing business or enterprise that has actively conducted business before the sale or lease, whether composed of one or more than one component business or enterprise, if the sale or lease represents an isolated transaction or series of transactions involving a bona fide change of ownership or control of the business or enterprise or liquidation of the business or enterprise;

(2) a sale by a retailer of goods or services under a contract or other agreement to sell the inventory of one or more

11-1 ongoing leased departments to a purchaser who is granted the right
11-2 to sell the goods or services within or adjoining a retail business
11-3 establishment as a department or division of the retail business
11-4 establishment;

11-5 (3) a transaction that is:
11-6 (A) regulated by the Texas Department of
11-7 Licensing and Regulation, the Texas Department of Insurance, the
11-8 Texas Real Estate Commission, or the director of the Motor Vehicle
11-9 Division of the Texas Department of Motor Vehicles
11-10 [~~Transportation~~]; and

11-11 (B) engaged in by a person licensed by one of
11-12 those agencies;

11-13 (4) a real estate syndication;
11-14 (5) a sale or lease to a business enterprise that also
11-15 sells or leases products, equipment, or supplies or performs
11-16 services:

11-17 (A) that are not supplied by the seller; and
11-18 (B) that the purchaser does not use with the
11-19 seller's products, equipment, supplies, or services;

11-20 (6) the offer or sale of a franchise as described by
11-21 the Petroleum Marketing Practices Act (15 U.S.C. Section 2801 et
11-22 seq.) and its subsequent amendments;

11-23 (7) the offer or sale of a business opportunity if the
11-24 seller:

11-25 (A) has a net worth of \$25 million or more
11-26 according to the seller's audited balance sheet as of a date not
11-27 earlier than the 13th month before the date of the transaction; or

11-28 (B) is at least 80 percent owned by another
11-29 person who:

11-30 (i) in writing unconditionally guarantees
11-31 performance by the person offering the business opportunity plan;
11-32 and

11-33 (ii) has a net worth of more than \$25
11-34 million according to the person's most recent audited balance sheet
11-35 as of a date not earlier than the 13th month before the date of the
11-36 transaction; or

11-37 (8) an arrangement defined as a franchise by 16 C.F.R.
11-38 Section 436.2(a) and its subsequent amendments if:

11-39 (A) the franchisor complies in all material
11-40 respects in this state with 16 C.F.R. Part 436 and each order or
11-41 other action of the Federal Trade Commission; and

11-42 (B) before offering for sale or selling a
11-43 franchise in this state, a person files with the secretary of state
11-44 a notice containing:

11-45 (i) the name of the franchisor;

11-46 (ii) the name under which the franchisor
11-47 intends to transact business; and

11-48 (iii) the franchisor's principal business
11-49 address.

11-50 SECTION 3A.02. Subsection (b), Section 105.004, Business &
11-51 Commerce Code, as effective April 1, 2009, is amended to read as
11-52 follows:

11-53 (b) The Texas Department of Motor Vehicles [~~Transportation~~]
11-54 shall provide a notice that states the provisions of this chapter to
11-55 each person with a disability who is issued:

11-56 (1) license plates under Section 504.201,
11-57 Transportation Code; or

11-58 (2) a disabled parking placard under Section 681.004,
11-59 Transportation Code.

11-60 PART B. CODE OF CRIMINAL PROCEDURE

11-61 SECTION 3B.01. Subdivision (1), Section 1, Article 42.22,
11-62 Code of Criminal Procedure, is amended to read as follows:

11-63 (1) "Department" means the Texas Department of Motor
11-64 Vehicles [~~Transportation~~].

11-65 SECTION 3B.02. Subsection (c), Article 59.04, Code of
11-66 Criminal Procedure, is amended to read as follows:

11-67 (c) If the property is a motor vehicle, and if there is
11-68 reasonable cause to believe that the vehicle has been registered
11-69 under the laws of this state, the attorney representing the state

12-1 shall ask the Texas Department of Motor Vehicles [~~Transportation~~]
12-2 to identify from its records the record owner of the vehicle and any
12-3 interest holder. If the addresses of the owner and interest holder
12-4 are not otherwise known, the attorney representing the state shall
12-5 request citation be served on such persons at the address listed
12-6 with the Texas Department of Motor Vehicles [~~Transportation~~]. If
12-7 the citation issued to such address is returned unserved, the
12-8 attorney representing the state shall cause a copy of the notice of
12-9 the seizure and intended forfeiture to be posted at the courthouse
12-10 door, to remain there for a period of not less than 30 days. If the
12-11 owner or interest holder does not answer or appear after the notice
12-12 has been so posted, the court shall enter a judgment by default as
12-13 to the owner or interest holder, provided that the attorney
12-14 representing the state files a written motion supported by
12-15 affidavit setting forth the attempted service. An owner or
12-16 interest holder whose interest is forfeited in this manner shall
12-17 not be liable for court costs. If the person in possession of the
12-18 vehicle at the time of the seizure is not the owner or the interest
12-19 holder of the vehicle, notification shall be provided to the
12-20 possessor in the same manner specified for notification to an owner
12-21 or interest holder.

12-22 PART C. FAMILY CODE

12-23 SECTION 3C.01. Subsection (b), Section 157.316, Family
12-24 Code, is amended to read as follows:

12-25 (b) If a lien established under this subchapter attaches to
12-26 a motor vehicle, the lien must be perfected in the manner provided
12-27 by Chapter 501, Transportation Code, and the court or Title IV-D
12-28 agency that rendered the order of child support shall include in the
12-29 order a requirement that the obligor surrender to the court or Title
12-30 IV-D agency evidence of the legal ownership of the motor vehicle
12-31 against which the lien may attach. A lien against a motor vehicle
12-32 under this subchapter is not perfected until the obligor's title to
12-33 the vehicle has been surrendered to the court or Title IV-D agency
12-34 and the Texas Department of Motor Vehicles [~~Transportation~~] has
12-35 issued a subsequent title that discloses on its face the fact that
12-36 the vehicle is subject to a child support lien under this
12-37 subchapter.

12-38 SECTION 3C.02. Subsection (a), Section 232.0022, Family
12-39 Code, is amended to read as follows:

12-40 (a) The Texas Department of Motor Vehicles [~~Transportation~~]
12-41 is the appropriate licensing authority for suspension or nonrenewal
12-42 of a motor vehicle registration under this chapter.

12-43 SECTION 3C.03. Subsection (b), Section 232.014, Family
12-44 Code, is amended to read as follows:

12-45 (b) A fee collected by the Texas Department of Motor
12-46 Vehicles [~~Transportation~~] or the Department of Public Safety shall
12-47 be deposited to the credit of the state highway fund.

12-48 SECTION 3C.04. Subsection (b), Section 264.502, Family
12-49 Code, is amended to read as follows:

12-50 (b) The members of the committee who serve under Subsections
12-51 (a)(1) through (3) shall select the following additional committee
12-52 members:

- 12-53 (1) a criminal prosecutor involved in prosecuting
12-54 crimes against children;
- 12-55 (2) a sheriff;
- 12-56 (3) a justice of the peace;
- 12-57 (4) a medical examiner;
- 12-58 (5) a police chief;
- 12-59 (6) a pediatrician experienced in diagnosing and
12-60 treating child abuse and neglect;
- 12-61 (7) a child educator;
- 12-62 (8) a child mental health provider;
- 12-63 (9) a public health professional;
- 12-64 (10) a child protective services specialist;
- 12-65 (11) a sudden infant death syndrome family service
12-66 provider;
- 12-67 (12) a neonatologist;
- 12-68 (13) a child advocate;
- 12-69 (14) a chief juvenile probation officer;

- 13-1 (15) a child abuse prevention specialist;
- 13-2 (16) a representative of the Department of Public
- 13-3 Safety; and
- 13-4 (17) a representative of the Texas Department of Motor
- 13-5 Vehicles [~~Transportation~~].

PART D. FINANCE CODE

SECTION 3D.01. Subdivision (9), Section 306.001, Finance Code, is amended to read as follows:

(9) "Qualified commercial loan":

(A) means:

(i) a commercial loan in which one or more persons as part of the same transaction lends, advances, borrows, or receives, or is obligated to lend or advance or entitled to borrow or receive, money or credit with an aggregate value of:

(a) \$3 million or more if the commercial loan is secured by real property; or

(b) \$250,000 or more if the commercial loan is not secured by real property and, if the aggregate value of the commercial loan is less than \$500,000, the loan documents contain a written certification from the borrower that:

(1) the borrower has been advised by the lender to seek the advice of an attorney and an accountant in connection with the commercial loan; and

(2) the borrower has had the opportunity to seek the advice of an attorney and accountant of the borrower's choice in connection with the commercial loan; and

(ii) a renewal or extension of a commercial loan described by Paragraph (A), regardless of the principal amount of the loan at the time of the renewal or extension; and

(B) does not include a commercial loan made for the purpose of financing a business licensed by the Motor Vehicle Board of the Texas Department of Motor Vehicles [~~Transportation~~] under Section 2301.251(a), Occupations Code.

SECTION 3D.02. Subdivision (10-a), Section 348.001, Finance Code, is amended to read as follows:

(10-a) "Towable recreation vehicle" means a nonmotorized vehicle that:

(A) was originally designed and manufactured primarily to provide temporary human habitation in conjunction with recreational, camping, or seasonal use;

(B) is titled and registered with the Texas Department of Motor Vehicles [~~Transportation~~] as a travel trailer through a county tax assessor-collector;

(C) is permanently built on a single chassis;

(D) contains at least one life support system; and

(E) is designed to be towable by a motor vehicle.

SECTION 3D.03. Section 348.518, Finance Code, is amended to read as follows:

Sec. 348.518. SHARING OF INFORMATION. To ensure consistent enforcement of law and minimization of regulatory burdens, the commissioner and the Texas Department of Motor Vehicles [~~Transportation~~] may share information, including criminal history information, relating to a person licensed under this chapter. Information otherwise confidential remains confidential after it is shared under this section.

PART E. GOVERNMENT CODE

SECTION 3E.01. Subsection (d), Section 411.122, Government Code, is amended to read as follows:

(d) The following state agencies are subject to this section:

(1) Texas Appraiser Licensing and Certification Board;

(2) Texas Board of Architectural Examiners;

(3) Texas Board of Chiropractic Examiners;

(4) State Board of Dental Examiners;

(5) Texas Board of Professional Engineers;

(6) Texas Funeral Service Commission;

(7) Texas Board of Professional Geoscientists;

- 14-1 (8) Department of State Health Services, except as
- 14-2 provided by Section 411.110, and agencies attached to the
- 14-3 department, including:
- 14-4 (A) Texas State Board of Examiners of Dietitians;
- 14-5 (B) Texas State Board of Examiners of Marriage
- 14-6 and Family Therapists;
- 14-7 (C) Midwifery Board;
- 14-8 (D) Texas State Perfusionist Advisory Committee
- 14-9 [~~Board of Examiners of Perfusionists~~];
- 14-10 (E) Texas State Board of Examiners of
- 14-11 Professional Counselors;
- 14-12 (F) Texas State Board of Social Worker Examiners;
- 14-13 (G) State Board of Examiners for Speech-Language
- 14-14 Pathology and Audiology;
- 14-15 (H) Advisory Board of Athletic Trainers;
- 14-16 (I) State Committee of Examiners in the Fitting
- 14-17 and Dispensing of Hearing Instruments;
- 14-18 (J) Texas Board of Licensure for Professional
- 14-19 Medical Physicists; and
- 14-20 (K) Texas Board of Orthotics and Prosthetics;
- 14-21 (9) Texas Board of Professional Land Surveying;
- 14-22 (10) Texas Department of Licensing and Regulation,
- 14-23 except as provided by Section 411.093;
- 14-24 (11) Texas Commission on Environmental Quality;
- 14-25 (12) Texas Board of Occupational Therapy Examiners;
- 14-26 (13) Texas Optometry Board;
- 14-27 (14) Texas State Board of Pharmacy;
- 14-28 (15) Texas Board of Physical Therapy Examiners;
- 14-29 (16) Texas State Board of Plumbing Examiners;
- 14-30 (17) Texas State Board of Podiatric Medical Examiners;
- 14-31 (18) Polygraph Examiners Board;
- 14-32 (19) Texas State Board of Examiners of Psychologists;
- 14-33 (20) Texas Real Estate Commission;
- 14-34 (21) Board of Tax Professional Examiners;
- 14-35 (22) Texas Department of Transportation;
- 14-36 (23) State Board of Veterinary Medical Examiners;
- 14-37 (24) Texas Department of Housing and Community
- 14-38 Affairs;
- 14-39 (25) secretary of state;
- 14-40 (26) state fire marshal;
- 14-41 (27) Texas Education Agency; ~~and~~
- 14-42 (28) Department of Agriculture; and
- 14-43 (29) Texas Department of Motor Vehicles.

PART F. HEALTH AND SAFETY CODE

14-45 SECTION 3F.01. Subsection (e), Section 382.209, Health and
14-46 Safety Code, is amended to read as follows:

14-47 (e) A vehicle is not eligible to participate in a low-income
14-48 vehicle repair assistance, retrofit, and accelerated vehicle
14-49 retirement program established under this section unless:

- 14-50 (1) the vehicle is capable of being operated;
- 14-51 (2) the registration of the vehicle:
 - 14-52 (A) is current; and
 - 14-53 (B) reflects that the vehicle has been registered
 - 14-54 in the county implementing the program for the 12 months preceding
 - 14-55 the application for participation in the program;
- 14-56 (3) the commissioners court of the county
- 14-57 administering the program determines that the vehicle meets the
- 14-58 eligibility criteria adopted by the commission, the Texas
- 14-59 Department of Motor Vehicles [~~Transportation~~], and the Public
- 14-60 Safety Commission;
- 14-61 (4) if the vehicle is to be repaired, the repair is
- 14-62 done by a repair facility recognized by the Department of Public
- 14-63 Safety, which may be an independent or private entity licensed by
- 14-64 the state; and
- 14-65 (5) if the vehicle is to be retired under this
- 14-66 subsection and Section 382.213, the replacement vehicle is a
- 14-67 qualifying motor vehicle.

14-68 SECTION 3F.02. Subsection (f), Section 382.210, Health and
14-69 Safety Code, is amended to read as follows:

15-1 (f) In this section, "total cost" means the total amount of
15-2 money paid or to be paid for the purchase of a motor vehicle as set
15-3 forth as "sales price" in the form entitled "Application for Texas
15-4 Certificate of Title" promulgated by the Texas Department of Motor
15-5 Vehicles [~~Transportation~~]. In a transaction that does not involve
15-6 the use of that form, the term means an amount of money that is
15-7 equivalent, or substantially equivalent, to the amount that would
15-8 appear as "sales price" on the Application for Texas Certificate of
15-9 Title if that form were involved.

15-10 SECTION 3F.03. Subsection (a), Section 461.017, Health and
15-11 Safety Code, is amended to read as follows:

15-12 (a) The Drug Demand Reduction Advisory Committee is
15-13 composed of the following members:

15-14 (1) five representatives of the public from different
15-15 geographic regions of the state who have knowledge and expertise in
15-16 issues relating to reducing drug demand and who are appointed by the
15-17 commissioner [~~executive director~~] of the Department of State Health
15-18 Services [~~Texas Commission on Alcohol and Drug Abuse~~]; and

15-19 (2) one representative of each of the following
15-20 agencies or offices who is appointed by the executive director or
15-21 commissioner of the agency or office and who is directly involved in
15-22 the agency's or office's policies, programs, or funding activities
15-23 relating to reducing drug demand:

15-24 (A) the criminal justice division of the
15-25 governor's office;

15-26 (B) the Criminal Justice Policy Council;

15-27 (C) the Department of Family and Protective [~~and~~
15-28 Regulatory] Services;

15-29 (D) the Department of Public Safety of the State
15-30 of Texas;

15-31 (E) the Health and Human Services Commission;

15-32 (F) the Texas Alcoholic Beverage Commission;

15-33 (G) the Department of State Health Services
15-34 [~~Texas Commission on Alcohol and Drug Abuse~~];

15-35 (H) the Texas Council on Offenders with Mental
15-36 Impairments;

15-37 (I) the Texas Department of Criminal Justice;

15-38 (J) the [~~Texas Department of~~] Health and [~~+~~

15-39 [~~(K) the Texas Department of~~] Human Services
15-40 Commission;

15-41 (K) [~~(L)~~] the [~~Texas~~] Department of Aging and
15-42 Disability Services [~~Mental Health and Mental Retardation~~];

15-43 (L) [~~(M)~~] the Texas Education Agency;

15-44 (M) [~~(N)~~] the Texas Juvenile Probation
15-45 Commission;

15-46 (N) [~~(O)~~] the Texas Youth Commission;

15-47 (O) [~~(P)~~] the Department of Assistive and
15-48 Rehabilitative Services [~~Texas Rehabilitation Commission~~];

15-49 (P) [~~(Q)~~] the Texas Workforce Commission;

15-50 (Q) [~~(R)~~] the Texas Department of Motor Vehicles
15-51 [~~Transportation~~];

15-52 (R) [~~(S)~~] the comptroller of public accounts;
15-53 and

15-54 (S) [~~(T)~~] the adjutant general's department.

15-55 PART G. HUMAN RESOURCES CODE

15-56 SECTION 3G.01. Section 22.041, Human Resources Code, is
15-57 amended to read as follows:

15-58 Sec. 22.041. THIRD-PARTY INFORMATION. Notwithstanding any
15-59 other provision of this code, the department may use information
15-60 obtained from a third party to verify the assets and resources of a
15-61 person for purposes of determining the person's eligibility and
15-62 need for medical assistance, financial assistance, or nutritional
15-63 assistance. Third-party information includes information obtained
15-64 from:

15-65 (1) a consumer reporting agency, as defined by Section
15-66 20.01, Business & Commerce Code;

15-67 (2) an appraisal district; or

15-68 (3) the Texas Department of Motor Vehicles
15-69 [~~Transportation's~~] vehicle registration record database.

16-1 SECTION 3G.02. Subsection (g), Section 32.026, Human
16-2 Resources Code, is amended to read as follows:

16-3 (g) Notwithstanding any other provision of this code, the
16-4 department may use information obtained from a third party to
16-5 verify the assets and resources of a person for purposes of
16-6 determining the person's eligibility and need for medical
16-7 assistance. Third-party information includes information obtained
16-8 from:

16-9 (1) a consumer reporting agency, as defined by Section
16-10 20.01, Business & Commerce Code;

16-11 (2) an appraisal district; or

16-12 (3) the Texas Department of Motor Vehicles
16-13 [~~Transportation's~~] vehicle registration record database.

16-14 PART H. LOCAL GOVERNMENT CODE

16-15 SECTION 3H.01. Section 130.006, Local Government Code, is
16-16 amended to read as follows:

16-17 Sec. 130.006. PROCEDURES FOR COLLECTION OF DISHONORED
16-18 CHECKS AND INVOICES. A county tax assessor-collector may establish
16-19 procedures for the collection of dishonored checks and credit card
16-20 invoices. The procedures may include:

16-21 (1) official notification to the maker that the check
16-22 or invoice has not been honored and that the receipt, registration,
16-23 certificate, or other instrument issued on the receipt of the check
16-24 or invoice is not valid until payment of the fee or tax is made;

16-25 (2) notification of the sheriff or other law
16-26 enforcement officers that a check or credit card invoice has not
16-27 been honored and that the receipt, registration, certificate, or
16-28 other instrument held by the maker is not valid; and

16-29 (3) notification to the Texas Department of Motor
16-30 Vehicles [~~Transportation~~], the comptroller of public accounts, or
16-31 the Department of Public Safety that the receipt, registration,
16-32 certificate, or other instrument held by the maker is not valid.

16-33 SECTION 3H.02. Section 130.007, Local Government Code, is
16-34 amended to read as follows:

16-35 Sec. 130.007. REMISSION TO STATE NOT REQUIRED; STATE
16-36 ASSISTANCE IN COLLECTION. (a) If a fee or tax is required to be
16-37 remitted to the comptroller or the Texas Department of Motor
16-38 Vehicles [~~Transportation~~] and if payment was made to the county tax
16-39 assessor-collector by a check that was not honored by the drawee
16-40 bank or by a credit card invoice that was not honored by the credit
16-41 card issuer, the amount of the fee or tax is not required to be
16-42 remitted, but the assessor-collector shall notify the appropriate
16-43 department of:

16-44 (1) the amount of the fee or tax;

16-45 (2) the type of fee or tax involved; and

16-46 (3) the name and address of the maker.

16-47 (b) The Texas Department of Motor Vehicles [~~Transportation~~]
16-48 and the comptroller shall assist the county tax assessor-collector
16-49 in collecting the fee or tax and may cancel or revoke any receipt,
16-50 registration, certificate, or other instrument issued in the name
16-51 of the state conditioned on the payment of the fee or tax.

16-52 SECTION 3H.03. Section 130.008, Local Government Code, is
16-53 amended to read as follows:

16-54 Sec. 130.008. LIABILITY OF TAX COLLECTOR FOR VIOLATIONS OF
16-55 SUBCHAPTER. If the comptroller or the Texas Department of Motor
16-56 Vehicles [~~Transportation~~] determines that the county tax
16-57 assessor-collector has accepted payment for fees and taxes to be
16-58 remitted to that department in violation of Section 130.004 or that
16-59 more than two percent of the fees and taxes to be received from the
16-60 assessor-collector are not remitted because of the acceptance of
16-61 checks that are not honored by the drawee bank or of credit card
16-62 invoices that are not honored by the credit card issuer, the
16-63 department may notify the assessor-collector that the
16-64 assessor-collector may not accept a check or credit card invoice
16-65 for the payment of any fee or tax to be remitted to that department.
16-66 A county tax assessor-collector who accepts a check or credit card
16-67 invoice for the payment of a fee or tax, after notice that the
16-68 assessor-collector may not receive a check or credit card invoice
16-69 for the payment of fees or taxes to be remitted to a department, is

17-1 liable to the state for the amount of the check or credit card
 17-2 invoice accepted.

17-3 SECTION 3H.04. Section 130.009, Local Government Code, is
 17-4 amended to read as follows:

17-5 Sec. 130.009. STATE RULES. The comptroller and the Texas
 17-6 Department of Motor Vehicles [~~Transportation~~] may make rules
 17-7 concerning the acceptance of checks or credit card invoices by a
 17-8 county tax assessor-collector and for the collection of dishonored
 17-9 checks or credit card invoices.

17-10 PART I. OCCUPATIONS CODE

17-11 SECTION 3I.01. Subsection (c), Section 554.009,
 17-12 Occupations Code, is amended to read as follows:

17-13 (c) The board may register a vehicle with the Texas
 17-14 Department of Motor Vehicles [~~Transportation~~] in an alias name only
 17-15 for investigative personnel.

17-16 SECTION 3I.02. Subdivision (9), Section 2301.002,
 17-17 Occupations Code, is amended to read as follows:

17-18 (9) "Department" means the Texas Department of Motor
 17-19 Vehicles [~~Transportation~~].

17-20 SECTION 3I.03. Subsections (a) and (b), Section 2301.005,
 17-21 Occupations Code, are amended to read as follows:

17-22 (a) A reference in law, including a rule, to the Texas Motor
 17-23 Vehicle Commission or to the board means [~~the director, except that~~
 17-24 ~~a reference to~~] the board of the Texas Department of Motor Vehicles
 17-25 [~~means the commission if it is related to the adoption of rules~~].

17-26 (b) A reference in law, including a rule, to the executive
 17-27 director of the Texas Motor Vehicle Commission means the executive
 17-28 director of the Texas Department of Motor Vehicles.

17-29 SECTION 3I.04. Subdivisions (2) and (3), Section 2302.001,
 17-30 Occupations Code, are amended to read as follows:

17-31 (2) "Board" [~~"Commission"~~] means the board of the
 17-32 Texas Department of Motor Vehicles [~~Transportation Commission~~].

17-33 (3) "Department" means the Texas Department of Motor
 17-34 Vehicles [~~Transportation~~].

17-35 SECTION 3I.05. Subsection (b), Section 2302.0015,
 17-36 Occupations Code, is amended to read as follows:

17-37 (b) For the purpose of enforcing or administering this
 17-38 chapter or Chapter 501 or 502, Transportation Code, a member of the
 17-39 board [~~commission~~], an employee or agent of the board [~~commission~~]
 17-40 or department, a member of the Public Safety Commission, an officer
 17-41 of the Department of Public Safety, or a peace officer may at a
 17-42 reasonable time:

17-43 (1) enter the premises of a business regulated under
 17-44 one of those chapters; and

17-45 (2) inspect or copy any document, record, vehicle,
 17-46 part, or other item regulated under one of those chapters.

17-47 SECTION 3I.06. The heading to Subchapter B, Chapter 2302,
 17-48 Occupations Code, is amended to read as follows:

17-49 SUBCHAPTER B. BOARD [~~COMMISSION~~] POWERS AND DUTIES

17-50 SECTION 3I.07. Sections 2302.051, 2302.052, and 2302.053,
 17-51 Occupations Code, are amended to read as follows:

17-52 Sec. 2302.051. RULES AND ENFORCEMENT POWERS. The board
 17-53 [~~commission~~] shall adopt rules as necessary to administer this
 17-54 chapter and may take other action as necessary to enforce this
 17-55 chapter.

17-56 Sec. 2302.052. DUTY TO SET FEES. The board [~~commission~~]
 17-57 shall set application fees, license fees, renewal fees, and other
 17-58 fees as required to implement this chapter. The board [~~commission~~]
 17-59 shall set the fees in amounts reasonable and necessary to implement
 17-60 and enforce this chapter.

17-61 Sec. 2302.053. RULES RESTRICTING ADVERTISING OR
 17-62 COMPETITIVE BIDDING. (a) The board [~~commission~~] may not adopt a
 17-63 rule under Section 2302.051 restricting advertising or competitive
 17-64 bidding by a person who holds a license issued under this chapter
 17-65 except to prohibit false, misleading, or deceptive practices by the
 17-66 person.

17-67 (b) The board [~~commission~~] may not include in its rules to
 17-68 prohibit false, misleading, or deceptive practices a rule that:

17-69 (1) restricts the use of any advertising medium;

18-1 (2) restricts the person's personal appearance or use
18-2 of the person's voice in an advertisement;

18-3 (3) relates to the size or duration of an
18-4 advertisement by the person; or

18-5 (4) restricts the use of a trade name in advertising by
18-6 the person.

18-7 SECTION 3I.08. Subsection (b), Section 2302.108,
18-8 Occupations Code, is amended to read as follows:

18-9 (b) The board [~~commission~~] by rule shall establish the
18-10 grounds for denial, suspension, revocation, or reinstatement of a
18-11 license issued under this chapter and the procedures for
18-12 disciplinary action. A rule adopted under this subsection may not
18-13 conflict with a rule adopted by the State Office of Administrative
18-14 Hearings.

18-15 SECTION 3I.09. Section 2302.204, Occupations Code, is
18-16 amended to read as follows:

18-17 Sec. 2302.204. CASUAL SALES. This chapter does not apply to
18-18 a person who purchases fewer than three nonrepairable motor
18-19 vehicles or salvage motor vehicles from a salvage vehicle dealer,
18-20 an insurance company or salvage pool operator in a casual sale at
18-21 auction, except that:

18-22 (1) the board [~~commission~~] shall adopt rules as
18-23 necessary to regulate casual sales by salvage vehicle dealers,
18-24 insurance companies, or salvage pool operators and to enforce this
18-25 section; and

18-26 (2) a salvage vehicle dealer, insurance company, or
18-27 salvage pool operator who sells a motor vehicle in a casual sale
18-28 shall comply with those rules and Subchapter E, Chapter 501,
18-29 Transportation Code.

18-30 SECTION 3I.10. Subdivision (33), Section 2301.002,
18-31 Occupations Code, is repealed.

18-32 PART J. PENAL CODE

18-33 SECTION 3J.01. Subsection (c), Section 31.03, Penal Code,
18-34 is amended to read as follows:

18-35 (c) For purposes of Subsection (b):

18-36 (1) evidence that the actor has previously
18-37 participated in recent transactions other than, but similar to,
18-38 that which the prosecution is based is admissible for the purpose of
18-39 showing knowledge or intent and the issues of knowledge or intent
18-40 are raised by the actor's plea of not guilty;

18-41 (2) the testimony of an accomplice shall be
18-42 corroborated by proof that tends to connect the actor to the crime,
18-43 but the actor's knowledge or intent may be established by the
18-44 uncorroborated testimony of the accomplice;

18-45 (3) an actor engaged in the business of buying and
18-46 selling used or secondhand personal property, or lending money on
18-47 the security of personal property deposited with the actor, is
18-48 presumed to know upon receipt by the actor of stolen property (other
18-49 than a motor vehicle subject to Chapter 501, Transportation Code)
18-50 that the property has been previously stolen from another if the
18-51 actor pays for or loans against the property \$25 or more (or
18-52 consideration of equivalent value) and the actor knowingly or
18-53 recklessly:

18-54 (A) fails to record the name, address, and
18-55 physical description or identification number of the seller or
18-56 pledgor;

18-57 (B) fails to record a complete description of the
18-58 property, including the serial number, if reasonably available, or
18-59 other identifying characteristics; or

18-60 (C) fails to obtain a signed warranty from the
18-61 seller or pledgor that the seller or pledgor has the right to
18-62 possess the property. It is the express intent of this provision
18-63 that the presumption arises unless the actor complies with each of
18-64 the numbered requirements;

18-65 (4) for the purposes of Subdivision (3)(A),
18-66 "identification number" means driver's license number, military
18-67 identification number, identification certificate, or other
18-68 official number capable of identifying an individual;

18-69 (5) stolen property does not lose its character as

19-1 stolen when recovered by any law enforcement agency;

19-2 (6) an actor engaged in the business of obtaining
 19-3 abandoned or wrecked motor vehicles or parts of an abandoned or
 19-4 wrecked motor vehicle for resale, disposal, scrap, repair,
 19-5 rebuilding, demolition, or other form of salvage is presumed to
 19-6 know on receipt by the actor of stolen property that the property
 19-7 has been previously stolen from another if the actor knowingly or
 19-8 recklessly:

19-9 (A) fails to maintain an accurate and legible
 19-10 inventory of each motor vehicle component part purchased by or
 19-11 delivered to the actor, including the date of purchase or delivery,
 19-12 the name, age, address, sex, and driver's license number of the
 19-13 seller or person making the delivery, the license plate number of
 19-14 the motor vehicle in which the part was delivered, a complete
 19-15 description of the part, and the vehicle identification number of
 19-16 the motor vehicle from which the part was removed, or in lieu of
 19-17 maintaining an inventory, fails to record the name and certificate
 19-18 of inventory number of the person who dismantled the motor vehicle
 19-19 from which the part was obtained;

19-20 (B) fails on receipt of a motor vehicle to obtain
 19-21 a certificate of authority, sales receipt, or transfer document as
 19-22 required by Chapter 683, Transportation Code, or a certificate of
 19-23 title showing that the motor vehicle is not subject to a lien or
 19-24 that all recorded liens on the motor vehicle have been released; or

19-25 (C) fails on receipt of a motor vehicle to
 19-26 immediately remove an unexpired license plate from the motor
 19-27 vehicle, to keep the plate in a secure and locked place, or to
 19-28 maintain an inventory, on forms provided by the Texas Department of
 19-29 Motor Vehicles [~~Transportation~~], of license plates kept under this
 19-30 paragraph, including for each plate or set of plates the license
 19-31 plate number and the make, motor number, and vehicle identification
 19-32 number of the motor vehicle from which the plate was removed;

19-33 (7) an actor who purchases or receives a used or
 19-34 secondhand motor vehicle is presumed to know on receipt by the actor
 19-35 of the motor vehicle that the motor vehicle has been previously
 19-36 stolen from another if the actor knowingly or recklessly:

19-37 (A) fails to report to the Texas Department of
 19-38 Motor Vehicles [~~Transportation~~] the failure of the person who sold
 19-39 or delivered the motor vehicle to the actor to deliver to the actor
 19-40 a properly executed certificate of title to the motor vehicle at the
 19-41 time the motor vehicle was delivered; or

19-42 (B) fails to file with the county tax
 19-43 assessor-collector of the county in which the actor received the
 19-44 motor vehicle, not later than the 20th day after the date the actor
 19-45 received the motor vehicle, the registration license receipt and
 19-46 certificate of title or evidence of title delivered to the actor in
 19-47 accordance with Subchapter D, Chapter 520, Transportation Code, at
 19-48 the time the motor vehicle was delivered;

19-49 (8) an actor who purchases or receives from any source
 19-50 other than a licensed retailer or distributor of pesticides a
 19-51 restricted-use pesticide or a state-limited-use pesticide or a
 19-52 compound, mixture, or preparation containing a restricted-use or
 19-53 state-limited-use pesticide is presumed to know on receipt by the
 19-54 actor of the pesticide or compound, mixture, or preparation that
 19-55 the pesticide or compound, mixture, or preparation has been
 19-56 previously stolen from another if the actor:

19-57 (A) fails to record the name, address, and
 19-58 physical description of the seller or pledgor;

19-59 (B) fails to record a complete description of the
 19-60 amount and type of pesticide or compound, mixture, or preparation
 19-61 purchased or received; and

19-62 (C) fails to obtain a signed warranty from the
 19-63 seller or pledgor that the seller or pledgor has the right to
 19-64 possess the property; and

19-65 (9) an actor who is subject to Section 409, Packers and
 19-66 Stockyards Act (7 U.S.C. Section 228b), that obtains livestock from
 19-67 a commission merchant by representing that the actor will make
 19-68 prompt payment is presumed to have induced the commission
 19-69 merchant's consent by deception if the actor fails to make full

20-1 payment in accordance with Section 409, Packers and Stockyards Act
 20-2 (7 U.S.C. Section 228b).

20-3 SECTION 3J.02. Subsection (b), Section 31.11, Penal Code,
 20-4 is amended to read as follows:

20-5 (b) It is an affirmative defense to prosecution under this
 20-6 section that the person was:

20-7 (1) the owner or acting with the effective consent of
 20-8 the owner of the property involved;

20-9 (2) a peace officer acting in the actual discharge of
 20-10 official duties; or

20-11 (3) acting with respect to a number assigned to a
 20-12 vehicle by the Texas Department of Transportation or the Texas
 20-13 Department of Motor Vehicles, as applicable, and the person was:

20-14 (A) in the actual discharge of official duties as
 20-15 an employee or agent of the department; or

20-16 (B) in full compliance with the rules of the
 20-17 department as an applicant for an assigned number approved by the
 20-18 department.

20-19 PART K. TAX CODE

20-20 SECTION 3K.01. Subsection (d), Section 21.02, Tax Code, is
 20-21 amended to read as follows:

20-22 (d) A motor vehicle does not have taxable situs in a taxing
 20-23 unit under Subsection (a)(1) if, on January 1, the vehicle:

20-24 (1) has been located for less than 60 days at a place
 20-25 of business of a person who holds a wholesale motor vehicle auction
 20-26 general distinguishing number issued by the Texas Department of
 20-27 Motor Vehicles [Transportation] under Chapter 503, Transportation
 20-28 Code, for that place of business; and

20-29 (2) is offered for resale.

20-30 SECTION 3K.02. Subsection (d), Section 22.04, Tax Code, is
 20-31 amended to read as follows:

20-32 (d) This section does not apply to a motor vehicle that on
 20-33 January 1 is located at a place of business of a person who holds a
 20-34 wholesale motor vehicle auction general distinguishing number
 20-35 issued by the Texas Department of Motor Vehicles [Transportation]
 20-36 under Chapter 503, Transportation Code, for that place of business,
 20-37 and that:

20-38 (1) has not acquired taxable situs under Section
 20-39 21.02(a)(1) in a taxing unit that participates in the appraisal
 20-40 district because the vehicle is described by Section 21.02(d);

20-41 (2) is offered for sale by a dealer who holds a
 20-42 dealer's general distinguishing number issued by the Texas
 20-43 Department of Motor Vehicles [Transportation] under Chapter 503,
 20-44 Transportation Code, and whose inventory of motor vehicles is
 20-45 subject to taxation in the manner provided by Sections 23.121 and
 20-46 23.122; or

20-47 (3) is collateral possessed by a lienholder and
 20-48 offered for sale in foreclosure of a security interest.

20-49 SECTION 3K.03. Subdivisions (3), (11), and (14), Subsection
 20-50 (a), Section 23.121, Tax Code, are amended to read as follows:

20-51 (3) "Dealer" means a person who holds a dealer's
 20-52 general distinguishing number issued by the Texas Department of
 20-53 Motor Vehicles [Transportation] under the authority of Chapter 503,
 20-54 Transportation Code, or who is legally recognized as a motor
 20-55 vehicle dealer pursuant to the law of another state and who complies
 20-56 with the terms of Section 152.063(f). The term does not include:

20-57 (A) a person who holds a manufacturer's license
 20-58 issued under Chapter 2301, Occupations Code [~~by the Motor Vehicle~~
 20-59 ~~Board of the Texas Department of Transportation~~];

20-60 (B) an entity that is owned or controlled by a
 20-61 person who holds a manufacturer's license issued under Chapter
 20-62 2301, Occupations Code [~~by the Motor Vehicle Board of the Texas~~
 20-63 ~~Department of Transportation~~]; or

20-64 (C) a dealer whose general distinguishing number
 20-65 issued by the Texas Department of Motor Vehicles [Transportation]
 20-66 under the authority of Chapter 503, Transportation Code, prohibits
 20-67 the dealer from selling a vehicle to any person except a dealer.

20-68 (11) "Sales price" means the total amount of money
 20-69 paid or to be paid for the purchase of a motor vehicle as set forth

21-1 as "sales price" in the form entitled "Application for Texas
 21-2 Certificate of Title" promulgated by the Texas Department of Motor
 21-3 Vehicles [~~Transportation~~]. In a transaction that does not involve
 21-4 the use of that form, the term means an amount of money that is
 21-5 equivalent, or substantially equivalent, to the amount that would
 21-6 appear as "sales price" on the Application for Texas Certificate of
 21-7 Title if that form were involved.

21-8 (14) "Towable recreational vehicle" means a
 21-9 nonmotorized vehicle that is designed for temporary human
 21-10 habitation for recreational, camping, or seasonal use and:

21-11 (A) is titled and registered with the Texas
 21-12 Department of Motor Vehicles [~~Transportation~~] through the office of
 21-13 the collector;

21-14 (B) is permanently built on a single chassis;

21-15 (C) contains one or more life support systems;

21-16 and

21-17 (D) is designed to be towable by a motor vehicle.

21-18 SECTION 3K.04. Subsections (f), (g), and (h), Section
 21-19 23.121, Tax Code, are amended to read as follows:

21-20 (f) The comptroller shall promulgate a form entitled
 21-21 Dealer's Motor Vehicle Inventory Declaration. Except as provided
 21-22 by Section 23.122(1) [~~of this code~~], not later than February 1 of
 21-23 each year, or, in the case of a dealer who was not in business on
 21-24 January 1, not later than 30 days after commencement of business,
 21-25 each dealer shall file a declaration with the chief appraiser and
 21-26 file a copy with the collector. For purposes of this subsection, a
 21-27 dealer is presumed to have commenced business on the date of
 21-28 issuance to the dealer of a dealer's general distinguishing number
 21-29 as provided by Chapter 503, Transportation Code. Notwithstanding
 21-30 the presumption created by this subsection, a chief appraiser may,
 21-31 at his or her sole discretion, designate as the date on which a
 21-32 dealer commenced business a date other than the date of issuance to
 21-33 the dealer of a dealer's general distinguishing number. The
 21-34 declaration is sufficient to comply with this subsection if it sets
 21-35 forth the following information:

21-36 (1) the name and business address of each location at
 21-37 which the dealer owner conducts business;

21-38 (2) each of the dealer's general distinguishing
 21-39 numbers issued by the Texas Department of Motor Vehicles
 21-40 [~~Transportation~~];

21-41 (3) a statement that the dealer owner is the owner of a
 21-42 dealer's motor vehicle inventory; and

21-43 (4) the market value of the dealer's motor vehicle
 21-44 inventory for the current tax year as computed under Section
 21-45 23.121(b) [~~of this code~~].

21-46 (g) Under the terms provided by this subsection, the chief
 21-47 appraiser may examine the books and records of the holder of a
 21-48 general distinguishing number issued by the Texas Department of
 21-49 Motor Vehicles [~~Transportation~~]. A request made under this
 21-50 subsection must be made in writing, delivered personally to the
 21-51 custodian of the records, at the location for which the general
 21-52 distinguishing number has been issued, must provide a period not
 21-53 less than 15 days for the person to respond to the request, and must
 21-54 state that the person to whom it is addressed has the right to seek
 21-55 judicial relief from compliance with the request. In a request made
 21-56 under this section the chief appraiser may examine:

21-57 (1) the document issued by the Texas Department of
 21-58 Motor Vehicles [~~Transportation~~] showing the person's general
 21-59 distinguishing number;

21-60 (2) documentation appropriate to allow the chief
 21-61 appraiser to ascertain the applicability of this section and
 21-62 Section 23.122 [~~of this code~~] to the person;

21-63 (3) sales records to substantiate information set
 21-64 forth in the dealer's declaration filed by the person.

21-65 (h) If a dealer fails to file a declaration as required by
 21-66 this section, or if, on the declaration required by this section, a
 21-67 dealer reports the sale of fewer than five motor vehicles in the
 21-68 prior year, the chief appraiser shall report that fact to the Texas
 21-69 Department of Motor Vehicles [~~Transportation~~] and the department

22-1 shall initiate termination proceedings. The chief appraiser shall
 22-2 include with the report a copy of a declaration, if any, indicating
 22-3 the sale by a dealer of fewer than five motor vehicles in the prior
 22-4 year. A report by a chief appraiser to the Texas Department of
 22-5 Motor Vehicles [~~Transportation~~] as provided by this subsection is
 22-6 prima facie grounds for the cancellation of the dealer's general
 22-7 distinguishing number under Section 503.038(a)(9), Transportation
 22-8 Code, or for refusal by the Texas Department of Motor Vehicles
 22-9 [~~Transportation~~] to renew the dealer's general distinguishing
 22-10 number.

22-11 SECTION 3K.05. Subsection (c), Section 23.123, Tax Code, is
 22-12 amended to read as follows:

22-13 (c) Information made confidential by this section may be
 22-14 disclosed:

22-15 (1) in a judicial or administrative proceeding
 22-16 pursuant to a lawful subpoena;

22-17 (2) to the person who filed the declaration or
 22-18 statement or to that person's representative authorized by the
 22-19 person in writing to receive the information;

22-20 (3) to the comptroller or an employee of the
 22-21 comptroller authorized by the comptroller to receive the
 22-22 information;

22-23 (4) to a collector or chief appraiser;

22-24 (5) to a district attorney, criminal district attorney
 22-25 or county attorney involved in the enforcement of a penalty imposed
 22-26 pursuant to Section 23.121 or Section 23.122 [~~of this code~~];

22-27 (6) for statistical purposes if in a form that does not
 22-28 identify specific property or a specific property owner;

22-29 (7) if and to the extent that the information is
 22-30 required for inclusion in a public document or record that the
 22-31 appraisal or collection office is required by law to prepare or
 22-32 maintain; or

22-33 (8) to the Texas Department of Motor Vehicles
 22-34 [~~Transportation~~] for use by that department in auditing compliance
 22-35 of its licensees with appropriate provisions of applicable law.

22-36 SECTION 3K.06. Subdivision (11), Subsection (a), Section
 22-37 23.124, Tax Code, is amended to read as follows:

22-38 (11) "Sales price" means the total amount of money
 22-39 paid or to be paid for the purchase of:

22-40 (A) a vessel, other than a trailer that is
 22-41 treated as a vessel, as set forth as "sales price" in the form
 22-42 entitled "Application for Texas Certificate of Number/Title for
 22-43 Boat/Seller, Donor or Trader's Affidavit" promulgated by the Parks
 22-44 and Wildlife Department;

22-45 (B) an outboard motor as set forth as "sales
 22-46 price" in the form entitled "Application for Texas Certificate of
 22-47 Title for an Outboard Motor/Seller, Donor or Trader's Affidavit"
 22-48 promulgated by the Parks and Wildlife Department; or

22-49 (C) a trailer that is treated as a vessel as set
 22-50 forth as "sales price" in the form entitled "Application for Texas
 22-51 Certificate of Title" promulgated by the Texas Department of Motor
 22-52 Vehicles [~~Transportation~~].

22-53 In a transaction involving a vessel, an outboard motor,
 22-54 or a trailer that is treated as a vessel that does not involve the
 22-55 use of one of these forms, the term means an amount of money that is
 22-56 equivalent, or substantially equivalent, to the amount that would
 22-57 appear as "sales price" on the Application for Texas Certificate of
 22-58 Number/Title for Boat/Seller, Donor or Trader's Affidavit, the
 22-59 Application for Texas Certificate of Title for an Outboard
 22-60 Motor/Seller, Donor or Trader's Affidavit, or the Application for
 22-61 Texas Certificate of Title if one of these forms were involved.

22-62 SECTION 3K.07. Section 113.011, Tax Code, is amended to
 22-63 read as follows:

22-64 Sec. 113.011. LIENS FILED WITH TEXAS DEPARTMENT OF MOTOR
 22-65 VEHICLES [~~TRANSPORTATION~~]. The comptroller shall furnish to the
 22-66 Texas Department of Motor Vehicles [~~Transportation~~] each release of
 22-67 a tax lien filed by the comptroller with that department.

22-68 SECTION 3K.08. Subsections (a) and (f), Section 152.0412,
 22-69 Tax Code, are amended to read as follows:

23-1 (a) In this section, "standard presumptive value" means the
 23-2 private-party transaction value of a motor vehicle, as determined
 23-3 by the Texas Department of Motor Vehicles [~~Transportation~~] based on
 23-4 an appropriate regional guidebook of a nationally recognized motor
 23-5 vehicle value guide service, or based on another motor vehicle
 23-6 guide publication that the department determines is appropriate if
 23-7 a private-party transaction value for the motor vehicle is not
 23-8 available from a regional guidebook described by this subsection.

23-9 (f) The Texas Department of Motor Vehicles [~~Transportation~~]
 23-10 shall maintain information on the standard presumptive values of
 23-11 motor vehicles as part of the department's registration and title
 23-12 system. The department shall update the information at least
 23-13 quarterly each calendar year and publish, electronically or
 23-14 otherwise, the updated information.

23-15 SECTION 3K.09. Section 152.042, Tax Code, is amended to
 23-16 read as follows:

23-17 Sec. 152.042. COLLECTION OF TAX ON METAL DEALER PLATES. A
 23-18 person required to pay the tax imposed by Section 152.027 shall pay
 23-19 the tax to the Texas Department of Motor Vehicles [~~Transportation~~],
 23-20 and the department may not issue the metal dealer's plates until the
 23-21 tax is paid.

23-22 SECTION 3K.10. Subsection (b), Section 152.121, Tax Code,
 23-23 is amended to read as follows:

23-24 (b) Taxes on metal dealer plates collected by the Texas
 23-25 Department of Motor Vehicles [~~Transportation~~] shall be deposited by
 23-26 the department in the state treasury in the same manner as are other
 23-27 taxes collected under this chapter.

23-28 SECTION 3K.11. Subdivision (52), Section 162.001, Tax Code,
 23-29 is amended to read as follows:

23-30 (52) "Registered gross weight" means the total weight
 23-31 of the vehicle and carrying capacity shown on the registration
 23-32 certificate issued by the Texas Department of Motor Vehicles
 23-33 [~~Transportation~~].

23-34 ARTICLE 4. USED AUTOMOTIVE PARTS RECYCLERS

23-35 SECTION 4.01. Subdivision (6), Section 2302.001,
 23-36 Occupations Code, is amended to read as follows:

23-37 (6) "Salvage vehicle agent" means a person who
 23-38 acquires, sells, or otherwise deals in nonrepairable or salvage
 23-39 motor vehicles [~~or used parts~~] in this state as directed by the
 23-40 salvage vehicle dealer under whose license the person operates.
 23-41 The term does not include a person who:

23-42 (A) is a licensed salvage vehicle dealer or a
 23-43 licensed used automotive parts recycler;

23-44 (B) is a partner, owner, or officer of a business
 23-45 entity that holds a salvage vehicle dealer license or a used
 23-46 automotive parts recycler license;

23-47 (C) is an employee of a licensed salvage vehicle
 23-48 dealer or a licensed used automotive parts recycler; or

23-49 (D) only transports salvage motor vehicles for a
 23-50 licensed salvage vehicle dealer or a licensed used automotive parts
 23-51 recycler.

23-52 SECTION 4.02. Subsection (b), Section 2302.006,
 23-53 Occupations Code, is amended to read as follows:

23-54 (b) This chapter applies to a transaction in which a motor
 23-55 vehicle:

23-56 (1) is sold, transferred, released, or delivered to a
 23-57 metal recycler for the purpose of reuse or resale as a motor vehicle
 23-58 [~~or as a source of used parts~~]; and

23-59 (2) is used for that purpose.

23-60 SECTION 4.03. Subchapter A, Chapter 2302, Occupations Code,
 23-61 is amended by adding Section 2302.008 to read as follows:

23-62 Sec. 2302.008. APPLICABILITY OF CHAPTER TO USED AUTOMOTIVE
 23-63 PARTS RECYCLERS. This chapter does not apply to a used automotive
 23-64 parts recycler licensed under Chapter 2309.

23-65 SECTION 4.04. Subsection (b), Section 2302.103,
 23-66 Occupations Code, is amended to read as follows:

23-67 (b) An applicant may apply for a salvage vehicle dealer
 23-68 license with an endorsement in one or more of the following
 23-69 classifications:

24-1 (1) new automobile dealer;
 24-2 (2) used automobile dealer;
 24-3 (3) ~~used vehicle parts dealer;~~
 24-4 ~~[(4)]~~ salvage pool operator;
 24-5 (4) ~~[(5)]~~ salvage vehicle broker; or
 24-6 (5) ~~[(6)]~~ salvage vehicle rebuilder.
 24-7 SECTION 4.05. Subsection (d), Section 2302.107,
 24-8 Occupations Code, is amended to read as follows:
 24-9 (d) A salvage vehicle agent may acquire, sell, or otherwise
 24-10 deal in, nonrepairable or salvage motor vehicles ~~[or used parts]~~ as
 24-11 directed by the authorizing dealer.
 24-12 SECTION 4.06. Section 2302.202, Occupations Code, is
 24-13 amended to read as follows:
 24-14 Sec. 2302.202. RECORDS OF PURCHASES. A salvage vehicle
 24-15 dealer shall maintain a record of each salvage motor vehicle ~~[and~~
 24-16 ~~each used part]~~ purchased or sold by the dealer.
 24-17 SECTION 4.07. Subtitle A, Title 14, Occupations Code, is
 24-18 amended by adding Chapter 2309 to read as follows:
 24-19 CHAPTER 2309. USED AUTOMOTIVE PARTS RECYCLERS
 24-20 SUBCHAPTER A. GENERAL PROVISIONS
 24-21 Sec. 2309.001. SHORT TITLE. This chapter may be cited as
 24-22 the Texas Used Automotive Parts Recycling Act.
 24-23 Sec. 2309.002. DEFINITIONS. In this chapter:
 24-24 (1) "Insurance company," "metal recycler," "motor
 24-25 vehicle," "nonrepairable motor vehicle," "nonrepairable vehicle
 24-26 title," "salvage motor vehicle," "salvage vehicle title," and
 24-27 "salvage vehicle dealer" have the meanings assigned by Section
 24-28 501.091, Transportation Code.
 24-29 (2) "Commission" means the Texas Commission of
 24-30 Licensing and Regulation.
 24-31 (3) "Department" means the Texas Department of
 24-32 Licensing and Regulation.
 24-33 (4) "Executive director" means the executive director
 24-34 of the department.
 24-35 (5) "Used automotive part" has the meaning assigned to
 24-36 "used part" by Section 501.091, Transportation Code.
 24-37 (6) "Used automotive parts recycler" means a person
 24-38 licensed under this chapter to operate a used automotive parts
 24-39 recycling business.
 24-40 (7) "Used automotive parts recycling" means the
 24-41 dismantling and reuse or resale of used automotive parts and the
 24-42 safe disposal of salvage motor vehicles or nonrepairable motor
 24-43 vehicles, including the resale of those vehicles.
 24-44 Sec. 2309.003. APPLICABILITY OF CHAPTER TO METAL RECYCLERS.
 24-45 (a) Except as provided by Subsection (b), this chapter does not
 24-46 apply to a transaction to which a metal recycler is a party.
 24-47 (b) This chapter applies to a transaction in which a motor
 24-48 vehicle:
 24-49 (1) is sold, transferred, released, or delivered to a
 24-50 metal recycler as a source of used automotive parts; and
 24-51 (2) is used as a source of used automotive parts.
 24-52 Sec. 2309.004. APPLICABILITY OF CHAPTER TO SALVAGE VEHICLE
 24-53 DEALERS. (a) Except as provided by Subsection (b), this chapter
 24-54 does not apply to a transaction in which a salvage vehicle dealer is
 24-55 a party.
 24-56 (b) This chapter applies to a salvage vehicle dealer who
 24-57 deals in used automotive parts as more than an incidental part of
 24-58 the salvage vehicle dealer's primary business.
 24-59 Sec. 2309.005. APPLICABILITY OF CHAPTER TO INSURANCE
 24-60 COMPANIES. This chapter does not apply to an insurance company.
 24-61 [Sections 2309.006-2309.050 reserved for expansion]
 24-62 SUBCHAPTER B. ADVISORY BOARD
 24-63 Sec. 2309.051. USED AUTOMOTIVE PARTS RECYCLING ADVISORY
 24-64 BOARD. (a) The advisory board consists of five members
 24-65 representing the used automotive parts industry in this state
 24-66 appointed by the presiding officer of the commission with the
 24-67 approval of the commission.
 24-68 (b) The advisory board shall include members who represent
 24-69 used automotive parts businesses owned by domestic entities, as

25-1 defined by Section 1.002, Business Organizations Code.

25-2 (c) The advisory board shall include one member who
 25-3 represents a used automotive parts business owned by a foreign
 25-4 entity, as defined by Section 1.002, Business Organizations Code.

25-5 (d) The advisory board may not include more than one member
 25-6 from any one used automotive parts business entity.

25-7 (e) Appointments to the advisory board shall be made without
 25-8 regard to the race, color, disability, sex, religion, age, or
 25-9 national origin of the appointee.

25-10 Sec. 2309.052. TERMS; VACANCIES. (a) Advisory board
 25-11 members serve terms of six years, with the terms of one or two
 25-12 members expiring on February 1 of each odd-numbered year.

25-13 (b) A member may not serve more than two full consecutive
 25-14 terms.

25-15 (c) If a vacancy occurs during a term, the presiding officer
 25-16 of the commission shall appoint a replacement who meets the
 25-17 qualifications of the vacated position to serve for the remainder
 25-18 of the term.

25-19 Sec. 2309.053. PRESIDING OFFICER. The presiding officer of
 25-20 the commission shall appoint one of the advisory board members to
 25-21 serve as presiding officer of the advisory board for a term of one
 25-22 year. The presiding officer of the advisory board may vote on any
 25-23 matter before the advisory board.

25-24 Sec. 2309.054. POWERS AND DUTIES OF ADVISORY BOARD. The
 25-25 advisory board shall provide advice and recommendations to the
 25-26 department on technical matters relevant to the administration and
 25-27 enforcement of this chapter, including licensing standards.

25-28 Sec. 2309.055. COMPENSATION; REIMBURSEMENT OF EXPENSES.
 25-29 Advisory board members may not receive compensation but are
 25-30 entitled to reimbursement for actual and necessary expenses
 25-31 incurred in performing the functions of the advisory board, subject
 25-32 to the General Appropriations Act.

25-33 Sec. 2309.056. MEETINGS. The advisory board shall meet
 25-34 twice annually and may meet at other times at the call of the
 25-35 presiding officer of the commission or the executive director.

25-36 [Sections 2309.057-2309.100 reserved for expansion]

25-37 SUBCHAPTER C. POWERS AND DUTIES OF COMMISSION AND DEPARTMENT

25-38 Sec. 2309.101. GENERAL POWERS AND DUTIES. The executive
 25-39 director or commission, as appropriate, may take action as
 25-40 necessary to administer and enforce this chapter.

25-41 Sec. 2309.102. RULES. (a) The commission shall adopt
 25-42 rules for licensing used automotive parts recyclers and used
 25-43 automotive parts employees.

25-44 (b) The commission by rule shall adopt standards of conduct
 25-45 for license holders under this chapter.

25-46 Sec. 2309.103. RULES REGARDING LICENSING AND STANDARDS OF
 25-47 CONDUCT. (a) The commission shall adopt rules for licensing
 25-48 applicants, including rules for denial of an application if the
 25-49 applicant, a partner, principal, officer, or general manager of the
 25-50 applicant, or another license or permit holder with a connection to
 25-51 the applicant, has:

25-52 (1) before the application date, been convicted of,
 25-53 pleaded guilty or nolo contendere to, or been placed on deferred
 25-54 adjudication for:

25-55 (A) a felony; or

25-56 (B) a misdemeanor punishable by confinement in
 25-57 jail or by a fine exceeding \$500;

25-58 (2) violated an order of the commission or executive
 25-59 director, including an order for sanctions or administrative
 25-60 penalties; or

25-61 (3) knowingly submitted false information on the
 25-62 application.

25-63 (b) The commission by rule shall adopt standards of conduct
 25-64 for license holders under this chapter.

25-65 Sec. 2309.104. FEES. The commission shall establish and
 25-66 collect reasonable and necessary fees in amounts sufficient to
 25-67 cover the costs of administering this chapter.

25-68 Sec. 2309.105. RULES RESTRICTING ADVERTISING OR
 25-69 COMPETITIVE BIDDING. (a) The commission may not adopt a rule

26-1 restricting advertising or competitive bidding by a person who
 26-2 holds a license issued under this chapter except to prohibit false,
 26-3 misleading, or deceptive practices by the person.

26-4 (b) The commission may not include in its rules to prohibit
 26-5 false, misleading, or deceptive practices a rule that:

26-6 (1) restricts the use of any advertising medium;

26-7 (2) restricts the person's personal appearance or use
 26-8 of the person's voice in an advertisement;

26-9 (3) relates to the size or duration of an
 26-10 advertisement by the person; or

26-11 (4) restricts the use of a trade name in advertising by
 26-12 the person.

26-13 Sec. 2309.106. PERIODIC AND RISK-BASED INSPECTIONS.

26-14 (a) The department shall inspect each used automotive parts
 26-15 recycling facility at least once every two years.

26-16 (b) The department may enter and inspect at any time during
 26-17 business hours:

26-18 (1) the place of business of any person regulated
 26-19 under this chapter; or

26-20 (2) any place in which the department has reasonable
 26-21 cause to believe that a license holder is in violation of this
 26-22 chapter or in violation of a rule or order of the commission or
 26-23 executive director.

26-24 (c) The department shall conduct additional inspections
 26-25 based on a schedule of risk-based inspections using the following
 26-26 criteria:

26-27 (1) the inspection history;

26-28 (2) any history of complaints involving a used
 26-29 automotive parts recycler; and

26-30 (3) any other factor determined by the commission by
 26-31 rule.

26-32 (d) A used automotive parts recycler shall pay a fee for
 26-33 each risk-based inspection performed under this section. The
 26-34 commission by rule shall set the amount of the fee.

26-35 (e) In conducting an inspection under this section, the
 26-36 department may inspect a facility, a used automotive part, a
 26-37 business record, or any other place or thing reasonably required to
 26-38 enforce this chapter or a rule or order adopted under this chapter.

26-39 Sec. 2309.107. PERSONNEL. The department may employ
 26-40 personnel necessary to administer and enforce this chapter.

26-41 [Sections 2309.108-2309.150 reserved for expansion]

26-42 SUBCHAPTER D. LICENSE REQUIREMENTS

26-43 Sec. 2309.151. USED AUTOMOTIVE PARTS RECYCLER LICENSE
 26-44 REQUIRED. (a) Unless the person holds a used automotive parts
 26-45 recycler license issued under this chapter, a person may not own or
 26-46 operate a used automotive parts recycling business or sell used
 26-47 automotive parts.

26-48 (b) A used automotive parts recycler license:

26-49 (1) is valid only with respect to the person who
 26-50 applied for the license; and

26-51 (2) authorizes the license holder to operate a used
 26-52 automotive parts recycling business only at the one facility listed
 26-53 on the license.

26-54 Sec. 2309.152. GENERAL LICENSE APPLICATION REQUIREMENTS.
 26-55 An applicant for a used automotive parts recycler license under
 26-56 this chapter must submit to the department:

26-57 (1) a completed application on a form prescribed by
 26-58 the executive director;

26-59 (2) the required fees; and

26-60 (3) any other information required by commission rule.

26-61 Sec. 2309.153. LICENSE REQUIREMENTS. An applicant for a
 26-62 used automotive parts recycler license under this chapter must
 26-63 provide in a manner prescribed by the executive director:

26-64 (1) a federal tax identification number;

26-65 (2) proof of general liability insurance in an amount
 26-66 not less than \$250,000; and

26-67 (3) proof of a storm water permit if the applicant is
 26-68 required by the Texas Commission on Environmental Quality to obtain
 26-69 a permit.

27-1 Sec. 2309.154. USED AUTOMOTIVE PARTS EMPLOYEE LICENSE
 27-2 REQUIRED. (a) A person employed by a used automotive parts
 27-3 recycler may not in the scope of the person's employment acquire a
 27-4 vehicle or used automotive parts and may not sell used automotive
 27-5 parts unless the person holds a used automotive parts employee
 27-6 license issued under this chapter.

27-7 (b) The commission by rule shall adopt requirements for the
 27-8 application for and issuance of a used automotive parts employee
 27-9 license under this chapter.

27-10 Sec. 2309.155. NONTRANSFERABILITY OF LICENSE. A license
 27-11 issued by the executive director is valid throughout this state and
 27-12 is not transferable.

27-13 Sec. 2309.156. LICENSE RENEWAL. (a) A license issued
 27-14 under this chapter is valid for one year. The department may adopt
 27-15 a system under which licenses expire at different times during the
 27-16 year.

27-17 (b) The department shall notify the license holder at least
 27-18 30 days before the date a license expires. The notice must be in
 27-19 writing and sent to the license holder's last known address
 27-20 according to the records of the department.

27-21 (c) The commission by rule shall adopt requirements to renew
 27-22 a license issued under this chapter.

27-23 [Sections 2309.157-2309.200 reserved for expansion]

27-24 SUBCHAPTER E. LOCAL REGULATION

27-25 Sec. 2309.201. APPLICABILITY OF CERTAIN MUNICIPAL
 27-26 ORDINANCES, LICENSES, AND PERMITS. (a) The requirements of this
 27-27 chapter apply in addition to the requirements of any applicable
 27-28 municipal ordinance relating to the regulation of a person who
 27-29 deals in used automotive parts.

27-30 (b) This chapter does not prohibit the enforcement of an
 27-31 applicable municipal license or permit requirement that is related
 27-32 to an activity regulated under this chapter.

27-33 [Sections 2309.202-2309.250 reserved for expansion]

27-34 SUBCHAPTER F. ENFORCEMENT

27-35 Sec. 2309.251. ADMINISTRATIVE PENALTY. (a) The
 27-36 commission may impose an administrative penalty on a person under
 27-37 Subchapter F, Chapter 51, regardless of whether the person holds a
 27-38 license under this chapter, if the person violates:

27-39 (1) this chapter or a rule adopted under this chapter;
 27-40 or

27-41 (2) a rule or order of the executive director or
 27-42 commission.

27-43 (b) An administrative penalty may not be imposed unless the
 27-44 person charged with a violation is provided the opportunity for a
 27-45 hearing.

27-46 Sec. 2309.252. CEASE AND DESIST ORDER; INJUNCTION; CIVIL
 27-47 PENALTY. (a) The executive director may issue a cease and desist
 27-48 order as necessary to enforce this chapter if the executive
 27-49 director determines that the action is necessary to prevent a
 27-50 violation of this chapter and to protect public health and safety.

27-51 (b) The attorney general or executive director may
 27-52 institute an action for an injunction or a civil penalty under this
 27-53 chapter as provided by Section 51.352.

27-54 Sec. 2309.253. SANCTIONS. The department may impose
 27-55 sanctions as provided by Section 51.353.

27-56 Sec. 2309.254. CRIMINAL PENALTY; LICENSING. (a) A person
 27-57 commits an offense if the person:

27-58 (1) violates the licensing requirements of this
 27-59 chapter;

27-60 (2) deals in used parts without a license required by
 27-61 this chapter; or

27-62 (3) employs an individual who does not hold the
 27-63 appropriate license required by this chapter.

27-64 (b) An offense under this section is a Class C misdemeanor.

27-65 [Sections 2309.255-2309.300 reserved for expansion]

27-66 SUBCHAPTER G. CONDUCTING BUSINESS

27-67 Sec. 2309.301. DUTIES ON ACQUISITION OF SALVAGE MOTOR
 27-68 VEHICLE. (a) A used automotive parts recycler who acquires
 27-69 ownership of a salvage motor vehicle shall obtain a properly

28-1 assigned title from the previous owner of the vehicle.

28-2 (b) A used automotive parts recycler who acquires ownership
28-3 of a motor vehicle, nonrepairable motor vehicle, or salvage motor
28-4 vehicle for the purpose of dismantling, scrapping, or destroying
28-5 the motor vehicle, shall, before the 31st day after the date of
28-6 acquiring the motor vehicle, submit to the Texas Department of
28-7 Transportation a properly assigned manufacturer's certificate of
28-8 origin, regular certificate of title, nonrepairable vehicle title,
28-9 salvage vehicle title, other ownership document, or comparable
28-10 out-of-state ownership document for the motor vehicle.

28-11 (c) After receiving the title or document, the Texas
28-12 Department of Transportation shall issue the used automotive parts
28-13 recycler a receipt for the manufacturer's certificate of origin,
28-14 regular certificate of title, nonrepairable vehicle title, salvage
28-15 vehicle title, other ownership document, or comparable
28-16 out-of-state ownership document.

28-17 (d) The recycler shall comply with Subchapter E, Chapter
28-18 501, Transportation Code.

28-19 Sec. 2309.302. RECORDS OF PURCHASES. A used automotive
28-20 parts recycler shall maintain a record of or sales receipt for each
28-21 motor vehicle, salvage motor vehicle, nonrepairable motor vehicle,
28-22 and used automotive part purchased.

28-23 Sec. 2309.303. REGISTRATION OF NEW BUSINESS LOCATION.
28-24 Before moving a place of business, a used automotive parts recycler
28-25 must notify the department of the new location. The used automotive
28-26 parts recycler shall provide a storm water permit for the location
28-27 if a permit is required by the Texas Commission on Environmental
28-28 Quality.

28-29 [Sections 2309.304-2309.350 reserved for expansion]

28-30 SUBCHAPTER H. ADDITIONAL DUTIES OF USED AUTOMOTIVE PARTS RECYCLER
28-31 IN CONNECTION WITH MOTOR VEHICLE COMPONENT PARTS

28-32 Sec. 2309.351. DEFINITIONS. In this subchapter:

28-33 (1) "Component part" means a major component part as
28-34 defined by Section 501.091, Transportation Code, or a minor
28-35 component part.

28-36 (2) "Interior component part" means a motor vehicle's
28-37 seat or radio.

28-38 (3) "Minor component part" means an interior component
28-39 part, a special accessory part, or a motor vehicle part that
28-40 displays or should display at least one of the following:

28-41 (A) a federal safety certificate;

28-42 (B) a motor number;

28-43 (C) a serial number or a derivative; or

28-44 (D) a manufacturer's permanent vehicle
28-45 identification number or a derivative.

28-46 (4) "Special accessory part" means a motor vehicle's
28-47 tire, wheel, tailgate, or removable glass top.

28-48 Sec. 2309.352. REMOVAL OF LICENSE PLATES. Immediately on
28-49 receipt of a motor vehicle, a used automotive parts recycler shall:

28-50 (1) remove any unexpired license plates from the
28-51 vehicle; and

28-52 (2) place the license plates in a secure place until
28-53 destroyed by the used automotive parts recycler.

28-54 Sec. 2309.353. DISMANTLEMENT OR DISPOSITION OF MOTOR
28-55 VEHICLE. A used automotive parts recycler may not dismantle or
28-56 dispose of a motor vehicle unless the recycler first obtains:

28-57 (1) a certificate of authority to dispose of the
28-58 vehicle, a sales receipt, or a transfer document for the vehicle
28-59 issued under Chapter 683, Transportation Code; or

28-60 (2) a certificate of title showing that there are no
28-61 liens on the vehicle or that all recorded liens have been released.

28-62 Sec. 2309.354. RECORD OF PURCHASE; INVENTORY OF PARTS.
28-63 (a) A used automotive parts recycler shall keep an accurate and
28-64 legible record of each used component part purchased by or
28-65 delivered to the recycler. The record must include:

28-66 (1) the date of purchase or delivery;

28-67 (2) the driver's license number of the seller and a
28-68 legible photocopy of the seller's driver's license; and

28-69 (3) a description of the part and, if applicable, the

29-1 make and model of the part.

29-2 (b) As an alternative to the information required by
 29-3 Subsection (a), a used automotive parts recycler may record:

29-4 (1) the name of the person who sold the part or the
 29-5 motor vehicle from which the part was obtained; and

29-6 (2) the Texas certificate of inventory number or the
 29-7 federal taxpayer identification number of the person.

29-8 (c) The department shall prescribe the form of the record
 29-9 required by Subsection (a) and shall make the form available to used
 29-10 automotive parts recyclers.

29-11 (d) This section does not apply to:

29-12 (1) an interior component part or special accessory
 29-13 part from a motor vehicle more than 10 years old; or

29-14 (2) a part delivered to a used automotive parts
 29-15 recycler by a commercial freight line, commercial carrier, or
 29-16 licensed used automotive parts recycler.

29-17 Sec. 2309.355. RETENTION OF COMPONENT PARTS. (a) A used
 29-18 automotive parts recycler shall retain each component part in its
 29-19 original condition on the business premises of the recycler for at
 29-20 least three calendar days, excluding Sundays, after the date the
 29-21 recycler obtains the part.

29-22 (b) This section does not apply to the purchase by a used
 29-23 automotive parts recycler of a nonoperational engine,
 29-24 transmission, or rear axle assembly from another used automotive
 29-25 parts recycler or an automotive-related business.

29-26 Sec. 2309.356. MAINTENANCE OF RECORDS. A used automotive
 29-27 parts recycler shall maintain copies of each record required under
 29-28 this subchapter until the first anniversary of the purchase date of
 29-29 the item for which the record is maintained.

29-30 Sec. 2309.357. SURRENDER OF CERTAIN DOCUMENTS OR LICENSE
 29-31 PLATES. (a) A used automotive parts recycler shall surrender to
 29-32 the Texas Department of Transportation for cancellation a
 29-33 certificate of title or authority, sales receipt, or transfer
 29-34 document, as required by the department.

29-35 (b) The Texas Department of Transportation shall provide a
 29-36 signed receipt for a surrendered certificate of title.

29-37 Sec. 2309.358. INSPECTION OF RECORDS. (a) A peace officer
 29-38 at any reasonable time may inspect a record required to be
 29-39 maintained under this subchapter, including an inventory record.

29-40 (b) On demand by a peace officer, a used automotive parts
 29-41 recycler shall provide to the officer a copy of a record required to
 29-42 be maintained under this subchapter.

29-43 (c) A peace officer may inspect the inventory on the
 29-44 premises of a used automotive parts recycler at any reasonable time
 29-45 to verify, check, or audit the records required to be maintained
 29-46 under this subchapter.

29-47 (d) A used automotive parts recycler or an employee of the
 29-48 recycler shall allow and may not interfere with a peace officer's
 29-49 inspection of the recycler's inventory, premises, or required
 29-50 inventory records.

29-51 [Sections 2309.359-2309.400 reserved for expansion]

29-52 SUBCHAPTER I. MOTOR VEHICLE SALVAGE YARDS IN CERTAIN COUNTIES

29-53 Sec. 2309.401. APPLICABILITY OF SUBCHAPTER. This
 29-54 subchapter applies only to a used automotive parts facility located
 29-55 in a county with a population of 2.8 million or more.

29-56 Sec. 2309.402. LIMITS ON OPERATION OF HEAVY MACHINERY.

29-57 (a) A used automotive parts recycler may not operate heavy
 29-58 machinery in a used automotive parts recycling facility between the
 29-59 hours of 7 p.m. of one day and 7 a.m. of the following day.

29-60 (b) This section does not apply to conduct necessary to a
 29-61 sale or purchase by the recycler.

29-62 SECTION 4.08. Section 501.091, Transportation Code, is
 29-63 amended by amending Subdivision (17) and adding Subdivision (20) to
 29-64 read as follows:

29-65 (17) "Salvage vehicle dealer" means a person engaged
 29-66 in this state in the business of acquiring, selling, [~~dismantling,~~]
 29-67 repairing, rebuilding, reconstructing, or otherwise dealing in
 29-68 nonrepairable motor vehicles, salvage motor vehicles, or, if
 29-69 incidental to a salvage motor vehicle dealer's primary business,

30-1 used automotive parts. The term does not include a person who
30-2 casually repairs, rebuilds, or reconstructs fewer than five [~~three~~]
30-3 salvage motor vehicles in the same calendar year or, except as
30-4 provided by Paragraph (C), a used automotive parts recycler. The
30-5 term includes a person engaged in the business of:

30-6 (A) a salvage vehicle dealer, regardless of
30-7 whether the person holds a license issued by the department to
30-8 engage in that business;

30-9 (B) dealing in nonrepairable motor vehicles or
30-10 salvage motor vehicles [~~, regardless of whether the person deals in~~
30-11 ~~used parts~~]; or

30-12 (C) a used automotive parts recycler if the sale
30-13 of repaired, rebuilt, or reconstructed nonrepairable motor
30-14 vehicles or salvage motor vehicles is more than an incidental part
30-15 of the used automotive parts recycler's business [~~dealing in used~~
30-16 ~~parts regardless of whether the person deals in nonrepairable motor~~
30-17 ~~vehicles or salvage motor vehicles~~].

30-18 (20) "Used parts dealer" and "used automotive parts
30-19 recycler" have the meaning assigned to "used automotive parts
30-20 recycler" by Section 2309.002, Occupations Code.

30-21 SECTION 4.09. Subsection (d), Section 501.092,
30-22 Transportation Code, is amended to read as follows:

30-23 (d) An insurance company may sell a motor vehicle to which
30-24 this section applies, or assign a salvage vehicle title or a
30-25 nonrepairable vehicle title for the motor vehicle, only to a
30-26 salvage vehicle dealer, an out-of-state buyer, a buyer in a casual
30-27 sale at auction, [~~or~~] a metal recycler, or a used automotive parts
30-28 recycler. If the motor vehicle is not a salvage motor vehicle or a
30-29 nonrepairable motor vehicle, the insurance company is not required
30-30 to surrender the regular certificate of title for the vehicle or to
30-31 be issued a salvage vehicle title or a nonrepairable vehicle title
30-32 for the motor vehicle.

30-33 SECTION 4.10. Subsections (a) and (b), Section 501.095,
30-34 Transportation Code, are amended to read as follows:

30-35 (a) If the department has not issued a nonrepairable vehicle
30-36 title or salvage vehicle title for the motor vehicle and an
30-37 out-of-state ownership document for the motor vehicle has not been
30-38 issued by another state or jurisdiction, a business or governmental
30-39 entity described by Subdivisions (1)-(3) may sell, transfer, or
30-40 release a nonrepairable motor vehicle or salvage motor vehicle only
30-41 to a person who is:

30-42 (1) a licensed salvage vehicle dealer, a used
30-43 automotive parts recycler under Chapter 2309, Occupations Code, or
30-44 a metal recycler under Chapter 2302, Occupations Code;

30-45 (2) an insurance company that has paid a claim on the
30-46 nonrepairable or salvage motor vehicle;

30-47 (3) a governmental entity; or

30-48 (4) an out-of-state buyer.

30-49 (b) A person, other than a salvage vehicle dealer, a used
30-50 automotive parts recycler, or an insurance company licensed to do
30-51 business in this state, who acquired ownership of a nonrepairable
30-52 or salvage motor vehicle that has not been issued a nonrepairable
30-53 vehicle title, salvage vehicle title, or a comparable ownership
30-54 document issued by another state or jurisdiction shall, before
30-55 selling the motor vehicle, surrender the properly assigned
30-56 certificate of title for the motor vehicle to the department and
30-57 apply to the department for:

30-58 (1) a nonrepairable vehicle title if the vehicle is a
30-59 nonrepairable motor vehicle; or

30-60 (2) a salvage vehicle title if the vehicle is a salvage
30-61 motor vehicle.

30-62 SECTION 4.11. Section 501.105, Transportation Code, is
30-63 amended to read as follows:

30-64 Sec. 501.105. RETENTION OF RECORDS RELATING TO CERTAIN
30-65 CASUAL SALES. Each licensed salvage vehicle dealer, used
30-66 automotive parts recycler, or insurance company that sells a
30-67 nonrepairable motor vehicle or a salvage motor vehicle at a casual
30-68 sale shall keep on the business premises of the dealer or the
30-69 insurance company a list of all casual sales made during the

31-1 preceding 36-month period that contains:

31-2 (1) the date of the sale;

31-3 (2) the name of the purchaser;

31-4 (3) the name of the jurisdiction that issued the
31-5 identification document provided by the purchaser, as shown on the
31-6 document; and

31-7 (4) the vehicle identification number.

31-8 SECTION 4.12. Section 2302.253, Occupations Code, is
31-9 repealed.

31-10 SECTION 4.13. Not later than January 1, 2010, the Texas
31-11 Commission of Licensing and Regulation shall adopt rules under
31-12 Section 2309.102, Occupations Code, as added by this Act.

31-13 SECTION 4.14. If there is a conflict between a provision of
31-14 this Act and a provision of another Act of the 81st Legislature,
31-15 Regular Session, 2009, that becomes law concerning the licensing or
31-16 regulation of used automotive parts recyclers, this Act prevails
31-17 regardless of the relative dates of enactment.

31-18 SECTION 4.15. Sections 2309.151 and 2309.154, Occupations
31-19 Code, as added by this article, and Subchapter F, Chapter 2309,
31-20 Occupations Code, as added by this article, take effect September
31-21 1, 2010.

31-22 ARTICLE 5. TRANSFERS OF CERTAIN POWERS, DUTIES, OBLIGATIONS, AND
31-23 RIGHTS OF ACTION

31-24 SECTION 5.01. (a) All powers, duties, obligations, and
31-25 rights of action of the Motor Vehicle Division and the Vehicle
31-26 Titles and Registration Division of the Texas Department of
31-27 Transportation are transferred to the Texas Department of Motor
31-28 Vehicles and all powers, duties, obligations, and rights of action
31-29 of the Texas Transportation Commission in connection or associated
31-30 with those divisions of the Texas Department of Transportation are
31-31 transferred to the board of the Texas Department of Motor Vehicles
31-32 on November 1, 2009.

31-33 (b) The powers, duties, obligations, and rights of action of
31-34 the portion of the Motor Carrier Division of the Texas Department of
31-35 Transportation that is responsible for motor carrier registration
31-36 and the enforcement of Subtitle F, Title 7, Transportation Code,
31-37 are transferred to the Texas Department of Motor Vehicles and the
31-38 associated powers, duties, obligations, and rights of action of the
31-39 Texas Transportation Commission are transferred to the board of the
31-40 Texas Department of Motor Vehicles on November 1, 2009.

31-41 (c) In connection with the transfers required by
31-42 Subsections (a) and (b) of this section, the personnel, furniture,
31-43 computers, other property and equipment, files, and related
31-44 materials used by the Motor Vehicle Division, the Vehicle Titles
31-45 and Registration Division, or the portion of the Motor Carrier
31-46 Division of the Texas Department of Transportation described in
31-47 Subsection (b) of this section are transferred to the Texas
31-48 Department of Motor Vehicles.

31-49 (d) The Texas Department of Motor Vehicles shall continue
31-50 any proceeding involving the Motor Vehicle Division, the Vehicle
31-51 Titles and Registration Division, or the portion of the Motor
31-52 Carrier Division of the Texas Department of Transportation
31-53 described in Subsection (b) of this section that was brought before
31-54 the effective date of this Act in accordance with the law in effect
31-55 on the date the proceeding was brought, and the former law is
31-56 continued in effect for that purpose.

31-57 (e) A certificate, license, document, permit, registration,
31-58 or other authorization issued by the Motor Vehicle Division or the
31-59 Vehicle Titles and Registration Division of the Texas Department of
31-60 Transportation or a registration issued by the Motor Carrier
31-61 Division of the Texas Department of Transportation that is in
31-62 effect on the effective date of this Act remains valid for the
31-63 period for which it was issued unless suspended or revoked by the
31-64 Texas Department of Motor Vehicles.

31-65 (f) A rule adopted by the Texas Transportation Commission or
31-66 the executive director of the Texas Department of Transportation in
31-67 connection with or relating to the Motor Vehicle Division, the
31-68 Vehicle Titles and Registration Division, or the portion of the
31-69 Motor Carrier Division of the Texas Department of Transportation

32-1 described in Subsection (b) of this section continues in effect
 32-2 until it is amended or repealed by the board of the Texas Department
 32-3 of Motor Vehicles or the Texas Department of Motor Vehicles, as
 32-4 applicable.

32-5 (g) The unobligated and unexpended balance of any
 32-6 appropriations made to the Texas Department of Transportation in
 32-7 connection with or relating to the Motor Vehicle Division, the
 32-8 Vehicle Titles and Registration Division, or the portion of the
 32-9 Motor Carrier Division of the Texas Department of Transportation
 32-10 described in Subsection (b) of this section for the state fiscal
 32-11 biennium ending August 31, 2009, is transferred and reappropriated
 32-12 to the Texas Department of Motor Vehicles for the purpose of
 32-13 implementing the powers, duties, obligations, and rights of action
 32-14 transferred to that department under Subsections (a) and (b) of
 32-15 this section.

32-16 (h) The Texas Department of Transportation shall continue,
 32-17 as necessary, to perform the duties and functions being transferred
 32-18 to the Texas Department of Motor Vehicles until the transfer of
 32-19 agency duties and functions is complete.

32-20 SECTION 5.02. (a) In connection with the establishment by
 32-21 this Act of the Automobile Burglary and Theft Prevention Authority
 32-22 in the Texas Department of Motor Vehicles and with the transfer by
 32-23 this Act of the duty to provide personnel and services to the
 32-24 Automobile Burglary and Theft Prevention Authority from the Texas
 32-25 Department of Transportation to the Texas Department of Motor
 32-26 Vehicles, the personnel, furniture, computers, other property and
 32-27 equipment, files, and related materials used by the Automobile
 32-28 Burglary and Theft Prevention Authority are transferred to the
 32-29 Texas Department of Motor Vehicles.

32-30 (b) The unobligated and unexpended balance of any
 32-31 appropriations made to the Texas Department of Transportation in
 32-32 connection with or relating to the Automobile Burglary and Theft
 32-33 Prevention Authority for the state fiscal biennium ending August
 32-34 31, 2009, is transferred and reappropriated to the Texas Department
 32-35 of Motor Vehicles for the purpose of allowing the authority to
 32-36 continue to exercise its powers, duties, and obligations under the
 32-37 auspices of that department.

32-38 SECTION 5.03. (a) In addition to the positions of the Texas
 32-39 Department of Transportation assigned to the Vehicle Titles and
 32-40 Registration Division, Motor Vehicle Division, Motor Carrier
 32-41 Division, and Automobile Burglary and Theft Prevention Authority
 32-42 Division that are transferred to the Texas Department of Motor
 32-43 Vehicles, it is estimated that 75 other full-time equivalent
 32-44 employee positions of the Texas Department of Transportation
 32-45 primarily support the transferred divisions and, subject to this
 32-46 section, those positions are also transferred to the Texas
 32-47 Department of Motor Vehicles. The number of positions transferred
 32-48 under this subsection may be modified by agreement of the two
 32-49 agencies in a memorandum of understanding.

32-50 (b) If in another Act of the 81st Legislature, Regular
 32-51 Session, 2009, the legislature establishes a maximum number of
 32-52 full-time equivalent employee positions for the Texas Department of
 32-53 Motor Vehicles, the number of positions transferred under
 32-54 Subsection (a) of this section may not result in a number of
 32-55 full-time equivalent employee positions of that department that
 32-56 exceeds the maximum.

32-57 (c) When filling a position described by Subsection (a) of
 32-58 this section, the Texas Department of Motor Vehicles shall give
 32-59 first consideration to an applicant who, as of September 1, 2009,
 32-60 was a full-time employee of the Texas Department of Transportation
 32-61 and primarily supported one or more of the transferred divisions.

32-62 ARTICLE 6. APPOINTMENT OF BOARD

32-63 SECTION 6.01. Not later than October 1, 2009, the governor
 32-64 shall appoint the members of the board of the Texas Department of
 32-65 Motor Vehicles in accordance with Subchapter B, Chapter 1001,
 32-66 Transportation Code, as added by this Act.

32-67 ARTICLE 7. MEMORANDUM OF UNDERSTANDING

32-68 SECTION 7.01. (a) The board of the Texas Department of
 32-69 Motor Vehicles and the Texas Transportation Commission shall enter

33-1 into or revise a joint memorandum of understanding to coordinate
 33-2 the Texas Department of Motor Vehicles' and the Texas Department of
 33-3 Transportation's information systems to allow for the sharing of
 33-4 information so that each department may effectively and efficiently
 33-5 perform the functions and duties assigned to it.

33-6 (b) The Texas Department of Motor Vehicles and the Texas
 33-7 Department of Transportation shall implement the joint memorandum
 33-8 of understanding using existing personnel and resources.

33-9 (c) Otherwise confidential information shared under the
 33-10 memorandum of understanding remains subject to the same
 33-11 confidentiality requirements and legal restrictions on access to
 33-12 the information that are imposed by law on the department that
 33-13 originally obtained or collected the information.

33-14 (d) Information may be shared under the memorandum of
 33-15 understanding without the consent of the person who is the subject
 33-16 of the information.

33-17 (e) The memorandum of understanding required by Subsection
 33-18 (a) of this section must be entered into or revised at the first
 33-19 official meeting of the board members of the Texas Department of
 33-20 Motor Vehicles.

33-21 SECTION 7.02. (a) In addition to the memorandum of
 33-22 understanding required by Section 7.01 of this article, the board
 33-23 of the Texas Department of Motor Vehicles and the Texas
 33-24 Transportation Commission may enter into or revise one or more
 33-25 other joint memoranda of understanding as considered necessary or
 33-26 appropriate to effectuate the transfer of the powers and duties of
 33-27 the Texas Department of Transportation to the Texas Department of
 33-28 Motor Vehicles under this Act. A memorandum of understanding may
 33-29 include an agreement for the provision of office space, utilities,
 33-30 and other facility services; the need for full-time equivalent
 33-31 positions of the Texas Department of Transportation to provide
 33-32 support services in addition to the positions transferred to the
 33-33 Texas Department of Motor Vehicles under Section 5.01 of this Act;
 33-34 support services; and the transfer of information technology as
 33-35 necessary or appropriate to effectuate the transfer of the powers
 33-36 and duties of the Texas Department of Transportation to the Texas
 33-37 Department of Motor Vehicles.

33-38 (b) Subsections (b), (c), and (d) of Section 7.01 of this
 33-39 article apply to a memorandum of understanding entered into or
 33-40 revised under Subsection (a) of this section.

33-41 ARTICLE 8. DEPARTMENT OF MOTOR VEHICLES TRANSITION TEAM

33-42 SECTION 8.01. (a) The Texas Department of Transportation
 33-43 shall establish a Department of Motor Vehicles Transition Team to
 33-44 plan for and make recommendations regarding the transfer of
 33-45 obligations, property, full-time equivalent positions, rights,
 33-46 powers, and duties from the Texas Department of Transportation to
 33-47 the Texas Department of Motor Vehicles. The transition team must
 33-48 include the division directors from the Motor Vehicle Division, the
 33-49 Vehicle Titles and Registration Division, and the Motor Carrier
 33-50 Division and the Assistant Executive Director for Support
 33-51 Operations.

33-52 (b) Not later than October 1, 2009, the transition team
 33-53 shall report on and make recommendations to the board of the Texas
 33-54 Department of Motor Vehicles and the Transportation Legislative
 33-55 Oversight Committee regarding the transfer of obligations,
 33-56 property, full-time equivalent positions, rights, powers, and
 33-57 duties from the Texas Department of Transportation to the Texas
 33-58 Department of Motor Vehicles.

33-59 ARTICLE 9. FINANCIAL AUDIT

33-60 SECTION 9.01. (a) As soon as practicable after the
 33-61 effective date of this Act, the office of the state auditor shall
 33-62 conduct an initial financial audit to establish financial
 33-63 benchmarks for the Texas Department of Motor Vehicles on its
 33-64 overall status and condition in relation to funds on hand,
 33-65 equipment and other assets, pending matters, and other issues
 33-66 considered appropriate by the office of the state auditor.

33-67 (b) As soon as practicable after the completion of the audit
 33-68 required by Subsection (a) of this section, the results of the audit
 33-69 shall be reported by the office of the state auditor to the board of

34-1 the Texas Department of Motor Vehicles and to the Texas
34-2 Transportation Commission. The office of the state auditor shall
34-3 also provide a copy of the audit to the board and the commission.

34-4 ARTICLE 10. EFFECTIVE DATE

34-5 SECTION 10.01. This Act takes effect September 1, 2009.

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